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DCA Diversity Council Australia

Australian Government

Workplace Gender Equality Agency

She's Price(d)less

The economics of the gender pay gap

Prepared with Diversity Council Australia (DCA) and the Workplace Gender Equality Agency (WGEA)

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Dorothy Hisgrove

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KPMG Australia

We at KPMG are pleased to present the latest edition of our ongoing research into the gender pay gap, *She's Price(d)less: The economics of the gender pay gap*.

KPMG first started publishing data on the gender pay gap 16 years ago. This latest report is the fifth instalment of our work in collaboration with Diversity Council Australia (DCA) and the Workplace Gender Equality Agency (WGEA) and is our most comprehensive analysis yet.

For the first time, we forecast when Australia might eliminate the gender pay gap.

KPMG is pleased to continue to grow the evidence base by expanding analysis to give policymakers insights which will allow for targeted interventions that go to the heart of what drives the gender pay gap.

In the past few years, inflationary pressures have resulted in real wages going backwards. Against this macro-economic backdrop, the gender pay gap has widened. Additionally, women continue to be under-represented in higher-level positions, and we have seen little progress on tackling the glass ceiling phenomena.

Our analysis in this report found that the largest contributors to the gender pay gap were both the types of jobs women were employed in, as well as the significantly higher proportion of hours spent on household and other caring responsibilities compared to men.

The evidence outlined in this report points to areas that must be addressed to build a fairer and more equitable society. But the trajectory we are currently on, where according to our analysis the gender pay gap will be closed between 2054 and 2094, is an unacceptable pace of change.

We owe it to the organisations we lead, our employees, and future female leaders to lead with courage and commitment. The economics of the gender pay gap are clear. Now it's time to drive change.

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Catherine Hunter

CEO

Diversity Council Australia

Diversity Council Australia (DCA) is pleased to present the latest edition of *She's Price(d)less: The economics of the gender pay gap*, delivered in partnership with KPMG and WGEA.

This year, we began the work of applying an intersectional lens to the gender pay gap. In the course of this analysis, we learned more about the urgent need for stronger data collection to fully capture intersectional experiences of the gender pay gap.

For culturally and racially marginalised (CARM) women, the barriers they face in the workplace are not shaped by gender alone. They are compounded and layered in ways that traditional frameworks have often failed to capture. These findings illustrate stark disparities in economic outcomes, and pave the way toward understanding how closing the gender pay gap for all women will require a focus on more than gender alone. It requires us to recognise and respond to these intersecting drivers of inequality.

As a national leader in workplace diversity and inclusion, DCA recognises this as a critical opportunity. Addressing the gender pay gap in a meaningful way is not the sole responsibility of policymakers or advocacy organisations. It calls for leadership, accountability and action from every employer, in every sector. Real progress requires intentional and sustained action, from rethinking outdated systems and biases to championing policies that promote transparency and truly equal opportunity.

At its core, *She's Price(d)less* is both a call to action and a roadmap for change. It provides policymakers and workplace leaders with an essential component of the data and direction needed to build more inclusive workplaces where everyone is recognised, respected, and paid fairly for the value they bring.

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Hon Mary Wooldridge

CEO

Workplace Gender Equality Agency

Australian Government | Workplace Gender Equality Agency

The Workplace Gender Equality Agency (WGEA) is pleased to present *She's Price(d)less: The economics of the gender pay gap*.

The analysis sheds light on two of the key drivers of the gender pay gap: the types of jobs women and men engage in (workforce gender segregation) and the unequal distribution of hours spent on care, family and workforce participation between women and men, which is still largely divided down gendered lines.

Gendered expectations around work and care shape the career paths available to women and men, limiting career opportunities. Women are more likely to work flexibly and spend more time away from the workplace because of the unequal distribution of care responsibilities, which can reduce lifetime earnings potential and retirement savings. On the other hand, men may work longer hours and face additional barriers accessing flexible ways of working, missing out on time caring for family or loved ones. Additionally, the industries and occupations women are more likely to work in are often lower paid, raising important questions about how we value work.

These findings send a clear message about the need to take effective action now to build a stronger, fairer Australian workforce. Bridging the gender pay gap and the gap in unpaid work is the right thing to do. It also holds the potential to unlock significant economic growth, foster innovation, and strengthen global competitiveness.

Australian employers have a unique opportunity with the recent publication of employer gender pay gaps and the introduction of requirements for larger employers to select and meet or demonstrate improvement against gender equality targets in 2026 to improve fairness in their workplaces.

There are plenty of actions employers can take to address gendered expectations around work and care. This work should start with doing a gender pay gap analysis to identify where gendered differences exist.

To drive positive change, employers can also set targets for balanced gender composition and critically assess recruitment, promotion and pay negotiation processes to improve fairness and to encourage women and men into occupations and industries they are less likely to work in. Crucially, workplaces must be safe, respectful and inclusive to ensure that recruited employees stay and thrive.

As employers commit to taking effective action on gender equality, we will see the gender pay gap close and Australians will experience fairness and equality at work.

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Inherent limitations

This report has been prepared as outlined with the Diversity Council Australia Limited (DCA) and the Workforce Gender Equality Agency (WGEA) in the Specifications section of our Marketing Collaboration Agreement (Collaboration Agreement). This report is an advisory report which is not subject to assurance or other standards issues by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

KPMG have indicated within this report the sources of the information provided by DCA and WGEA. We have not sought to independently verify those sources unless otherwise noted within the report.

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Acknowledgements

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Acronyms

TERM	DEFINITION
ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
ACTU	Australian Council of Trade Unions
ANZSCO	Australian and New Zealand Standard Classification of Occupations
ANZSIC	Australian and New Zealand Standard Industry Classification
ASX	Australian Securities Exchange
CARM	Culturally and Racially Marginalised
CEDA	Centre for Economic Development of Australia
CEO	Chief Executive Officer
COVID-19	Coronavirus
DCA	Diversity Council Australia
DSS	Department of Social Services
FTE	Full-time equivalent
GLM	Generalised Linear Model
GPG	Gender Pay Gap
HELP	Higher Education Loan Program
HILDA	Household, Income and Labour Dynamics in Australia
HOB	Head of Business
ICT	Information and Communications Technology
ILO	International Labour Organization
IMR	Inverse Mills Ratio
KMP	Key Management Personnel
NATSEM	National Centre for Social and Economic Modelling
NGO	Non-Government Organisation
NSW	New South Wales
OECD	Organisation for Economic Co-operation and Development
OSCA	Occupation Standard Classification for Australia
PPL	Paid Parental Leave
SACS	Social and Community Services
SDG	Sustainable Development Goal
SME	Small to Medium Enterprises
SSI	Settlement Services International
STEM	Science, Technology, Engineering and Maths
TAFE	Technical and Further Education
VET	Vocational Education and Training
VPSC	Victorian Public Sector Commission
WA	Western Australia
WGEA	Workplace Gender Equality Agency
WMS	Workplace Workforce Management Statistics
WPP	Workplace Profile

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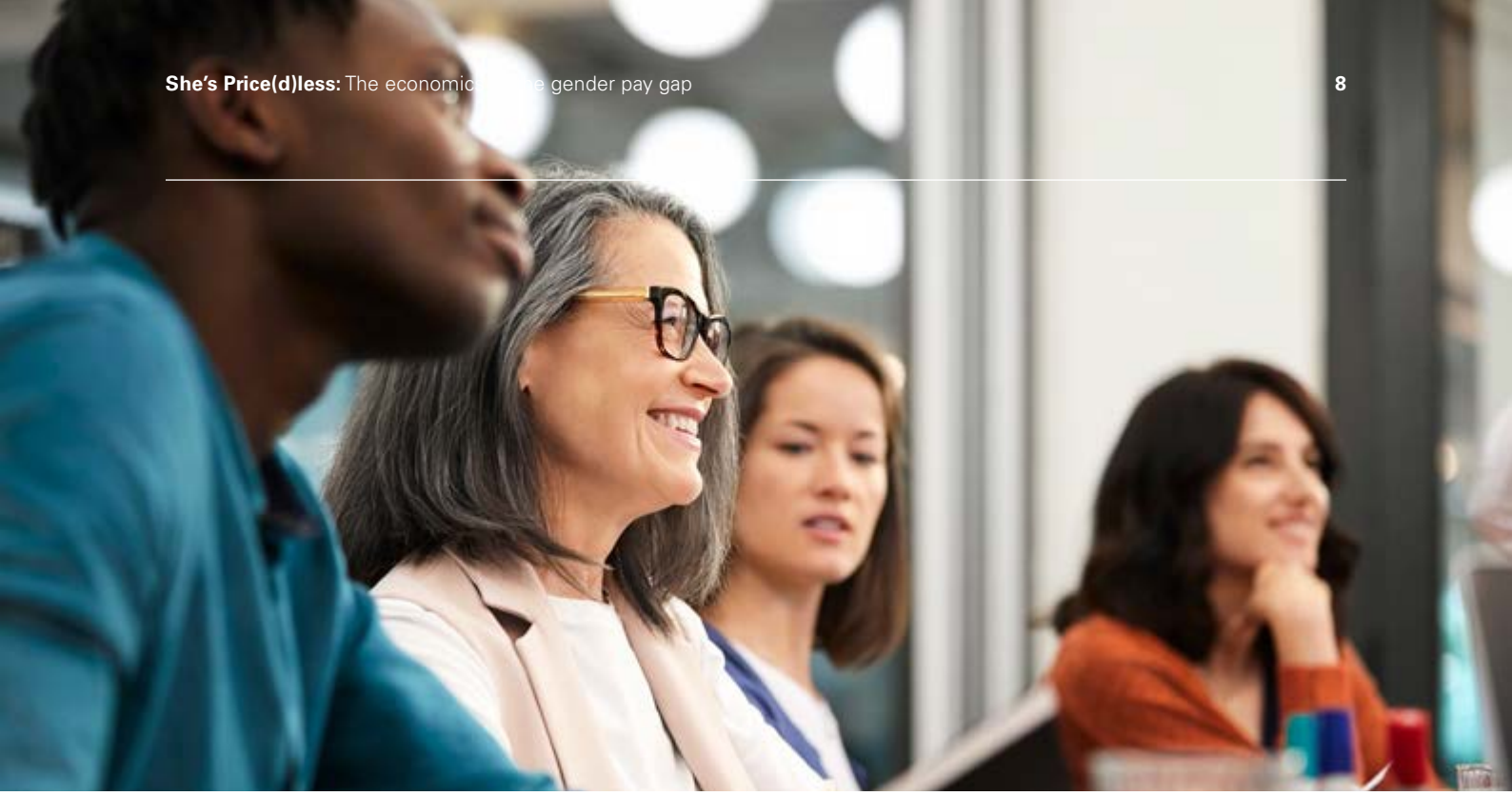

In this edition

About *She's Price(d)less*

This is the fifth release of *She's Price(d)less: The economics of the gender pay gap.*

She's Price(d)less is a long-running series of reports in Australia that analyses the contributing drivers of the gender pay gap on an ongoing basis, to explain why the gender pay gap exists, and where it needs to be addressed the most.

It provides policymakers and business leaders with evidence-based insight to better understand and take more informed action to reduce the gender pay gap in Australia.

New analysis in this edition

This report builds on prior editions of *She's Price(d)less* based on the latest data and information. In this edition, we have extended the analysis to include:

- comparison within industries to identify what has changed since the last edition
- exploratory intersectionality analysis to understand experiences of economic inequality, the impact of migrant status, place of birth, and language on the gender pay gap
- estimating when Australia might eliminate the gender pay gap.

Limitations

She's Price(d)less is a point-in-time analysis of the gender pay gap based on the fullest extent of available data and should be considered alongside other analytical approaches. The report discusses the limitations around the available data and analytical approach in detail. Importantly the report also highlights where analysis findings are not comparable due to differences in methods and data sources (such as in the exploratory analysis of intersecting diversity dimensions).

The authors of the report recognise that gender does not only exist in binary categories and there are people whose experiences and identities cannot be captured by binary language. However, the HILDA dataset used only reports data in a binary way.

WGEA created the option for employers to report employee gender as non-binary in 2020–21. However, for analysis purposes, the numbers reported remain small and reporting is voluntary, so employees reported as non-binary gender have not been included in the analysis in this report.

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Executive summary

Australia's hourly earnings and gender pay gap

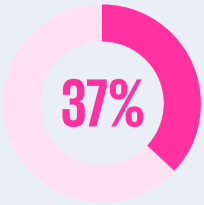
The hourly pay gap increased from 6.5% in 2020 to 7.3% in 2023, a $0.26 hourly increase in the gap between men and women's earnings.

	MEN	WOMEN	GAP	
2023	$45.57	$42.26	$3.31	7.3%
2020	$47.05	$44.00	$3.05	6.5%

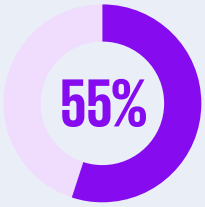
Drivers of the gender pay gap in 2023

Our analysis shows that systemic drivers remain the largest contributors to the pay gap in 2023:

Care, family and workforce participation



Gender segregation in job type



Gender-related influences
e.g. discrimination, recruitment bias

Note: The contributions of each factor are calculated relative to the total gap, and results may equal more than 100%.

Factors reducing the pay gap

These factors **contribute to reducing** the gender pay gap:

EDUCATIONAL ATTAINMENT	EMPLOYMENT IN GOVERNMENT OR NGO SECTORS
-10% IMPACT	-15% IMPACT
Down 5 percentage points since 2020	Down 5 percentage points since 2020

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Impact on national earnings

The national pay gap is estimated to be:

$1.26 billion per week or **$65.8** billion per annum in national earnings

Weekly cost of pay gap drivers

Care, family and workforce participation

$331M per week

Part-time work, unpaid work, years not working due to interruptions

Gender segregation in job type

$460M per week

Industrial and occupational segregation

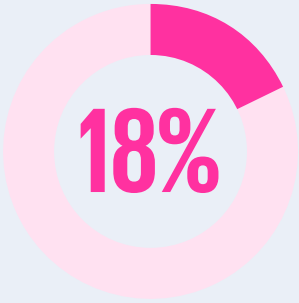
Gender-related influences

$688M per week

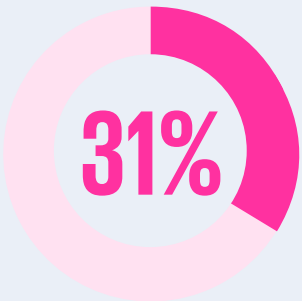
Gender discrimination and other social norms

Higher incomes, wider pay gaps

As women's level of responsibility increases, the pay gap widens:



HOURLY GAP AT HIGHER INCOME LEVELS



WEEKLY EARNINGS GAP AT HIGHER INCOME LEVELS

2x

MEN ARE ALMOST TWICE AS LIKELY AS WOMEN TO BE IN THE TOP 25% OF EARNERS

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Hourly wage gap by industry

In 2023, the hourly gender gap narrowed in four of the five key industries explored in the analysis:

	2023	2020
Healthcare and Social Assistance	6.5% ↓	11.2%
Education and Training	9.5% ↓	13.8%
Retail Trade	7.0% ↓	9.2%
Accommodation and Food Services	-3.7% ↓	7.4%
Manufacturing	10.3% ↑	2.2%

Intersecting dimensions

Exploratory analysis of intersecting dimensions found that the gender pay gap exists across all cohorts considered:

Non-Australian born women face a gender pay gap that is 3x larger than that experienced by Australian-born women

Women earn less than their male counterparts irrespective of their country of birth, migrant status or level of English-language proficiency

Skilled migrants experience a gender pay gap that is higher than the national average and double that of humanitarian migrants

When might Australia eliminate the gap?

2054

Based on the last 10 years (2015–2024) average income growth, the gender pay gap is projected to close by 2054.

2094

Based on the last 20 years (2005–2024) average income growth, the gender pay gap is projected to close by 2094.

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01

Introduction

Diversity Council Australia (DCA) and the Workplace Gender Equality Agency (WGEA) share a commitment to diversity and inclusion, particularly gender equality. As part of this commitment, KPMG, DCA, and WGEA have worked together since 2009 to develop a greater evidence base on the nature and drivers of the gender pay gap in Australia.

This work has culminated in the release of the following major reports:

Understanding the Economic Implications of the Gender Pay Gap in Australia ('the 2009 report')

She's Price(d)less: The economics of the gender pay gap ('the 2016 report')

She's Price(d)less: The economics of the gender pay gap ('the 2019 report')

She's Price(d)less: The economics of the gender pay gap ('the 2022 report')

This current report expands on the methodology developed in the previous iterations and makes further contributions to the evidence base and public discussion around the nature and impact of factors contributing to the gender pay gap. For the first time, the analysis explores the impact of the gender pay gap for those born outside of Australia, including visa category, country of birth and language.

All dollar figures in this report have been adjusted for inflation and are reported in 2025 dollars.

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Purpose and scope

The purpose of this report is to document the latest-available evidence on the nature and magnitude of drivers of the gender pay gap in Australia. The specific scope of the analysis and report is:

- modelling factors contributing to the gender pay gap using the latest data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey
- analysis of labour market segregation at an industry and workforce level
- exploration of intersecting dimensions of economic inequality, understanding the impact of visa category, place of birth, and language on the gender pay gap
- estimating when Australia might eliminate the gender pay gap.

Report structure

This report is structured as follows:

- **Section 1** (this section) introduces the report and provides details on the purpose, scope and structure.
- **Section 2** provides background on the gender pay gap in Australia including definitional issues and recent trends.
- **Section 3** explains the analytical approach for the quantification of the gender pay gap and underlying drivers.
- **Section 4** explores drivers of the gender pay gap and recent evidence on contribution of factors to the gap at the national level.
- **Section 5** examines industry pay gaps for five industries of focus including changes since the previous iteration of this report.
- **Section 6** analyses the pay gap at different levels of income.
- **Section 7** explores intersecting dimensions of the gender pay gap by country of birth, visa category and English language proficiency.
- **Section 8** provides indicative estimates of when Australia might be able to eliminate the gender pay gap based on historical trends.

A series of appendices provide supplementary information to the main body of the report, namely:

- **Appendix A** provides background on the Australian labour market and trends in the key drivers of the gender pay gap.
- **Appendix B** includes industry analysis findings.
- **Appendix C** provides detailed methodology and data limitations.

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02

Background

The national gender pay gap can be calculated using any representative and gender disaggregated pay dataset. Regardless of the measure of pay used, there is consistently a gender pay gap in favour of men in Australia. Australia has seen a range of government and business initiatives introduced in recent years to tackle the gender pay gap, however, progress is still too slow. This section defines the gender pay gap, outlines different approaches to calculating the gender pay gap, highlights recent relevant trends and summarises government and business initiatives to address the gender pay gap in Australia.

Defining the gender pay gap

The gender pay gap is a measure of how society values the contribution of men and women in the workforce. The gender pay gap is not the same as equal pay. Equal pay is where employees are paid the same for performing the same work or different work of equal or comparable value. In Australia, this has been a legal requirement since 1969.[1] Gender pay gaps are not a comparison of like roles. Instead, they show the difference between the average or median pay of women and men across organisations, industries and the workforce as a whole. It is the result of the social and economic factors that combine to reduce women's earning capacity over their lifetime. The gender pay gap is influenced by several factors, including:

- conscious and unconscious discrimination and bias in hiring and pay decisions
- women and men working in different industries and different jobs, with women-dominated industries and jobs attracting lower wages
- lack of workplace flexibility to accommodate caring and other responsibilities, especially in senior roles
- high rates of part-time work for women, which can contribute to the gender pay gap but is an important lever for attracting and retaining women, who are more likely to work part-time to balance caring responsibilities
- women's greater time out of the workforce for caring responsibilities impacting career progression and opportunities
- women's disproportionate share of unpaid caring and domestic work.

The gender pay gap impacts women's economic security over the course of their career. Every age cohort, with the exception of 15–19-year-olds, has a gender pay gap in favour of men.[2] The cumulative effect of the pay gap impacts women's economic security in retirement, with women in Australia retiring with less superannuation savings than men.[3]

1 WGEA, wgea.gov.au/the-gender-pay-gap
2 WGEA, WGEA Gender Equality Scorecard 2023-24, accessed 25 August 2025
3 Super Members Council, Mind the gap: How unpaid super is deepening retirement inequality for women, accessed 26 September 2025

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Approaches to calculating gender pay gaps

Across organisations and publications there are differences in data and methods used for calculating the gender pay gap, but gender pay gaps favouring men remain apparent regardless of the data source and method used. Using different data sources and wage periods (e.g. hourly, weekly or annual wages) can produce different results.

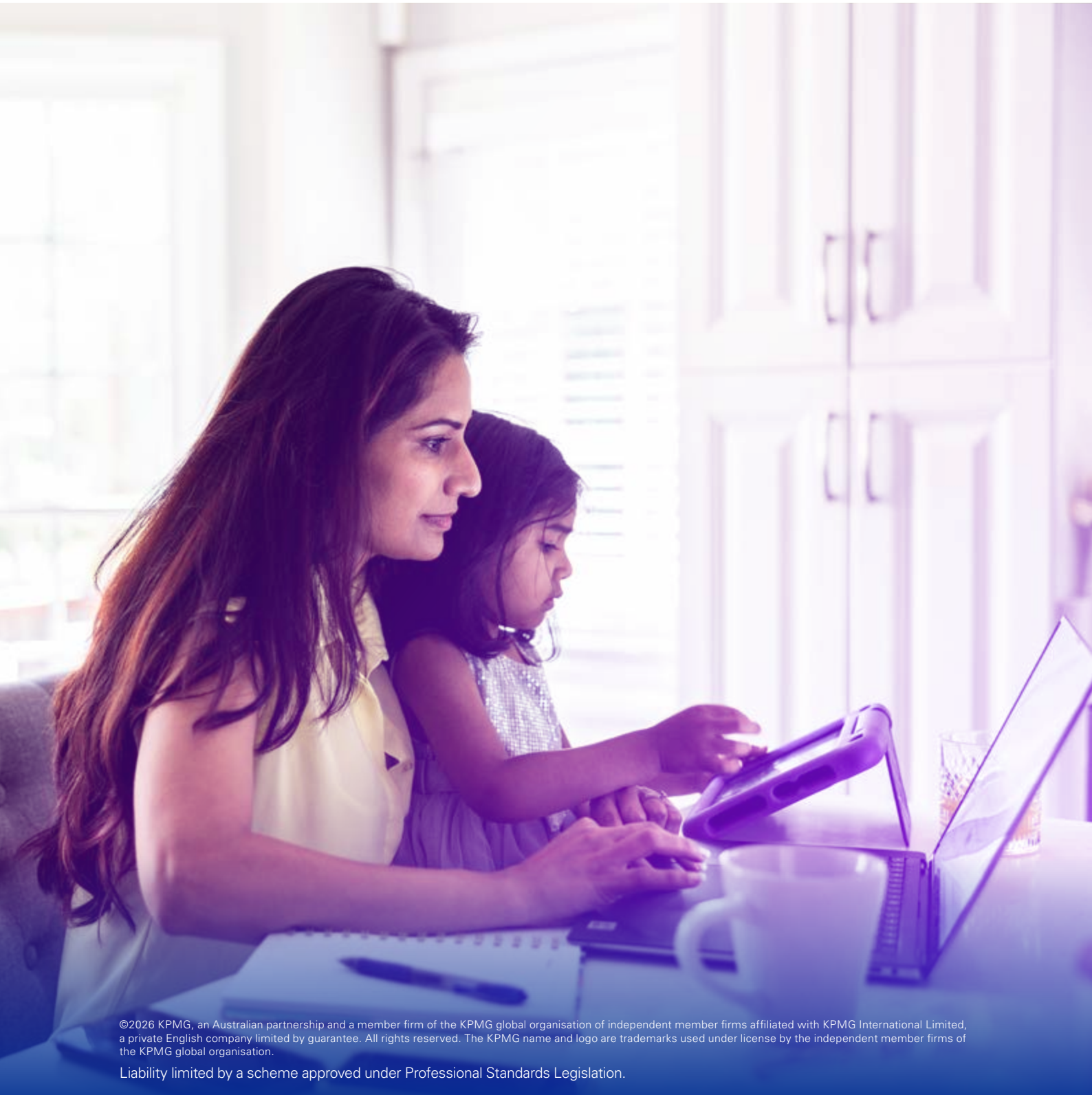

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Table 1 below explores some of the approaches taken by prominent organisations to calculating the gender pay gap. The table has been designed to present an indicative overview of the range of scopes and data that may be used to calculate the gender pay gap. It does not aim to present an exhaustive view of the different scopes and data sources used nationally and internationally. Note that references to the 'average' pay gap refer to the mean average.

Table 1: Prominent organisations' approaches to calculating the gender pay gap

ORGANISATION	SCOPE	DATA USED	INCLUSION CRITERIA	REPORTED PAY GAP	IMPLICATIONS OF METHOD
WGEA (Private Sector)[4]	Difference in average and median total remuneration and base salary between men and women	Base salary and total remuneration including bonuses and superannuation	Private sector employers with 100 or more employees	21.8% (2023–24)	Broad scope captures structural inequality; inclusion of CEO/Head of Business (HOB) data increases visibility of leadership pay gaps Datasets include full-time remuneration, and annualises part-time and casual remuneration to full-time equivalent (FTE)
WGEA (Commonwealth Public Sector)[5]	As above	Total remuneration	Commonwealth public sector employers with 100 or more employees	6.4% (2023)	As above, noting that the reported gender pay gap excluded CEO/Agency Head roles Key employer results for 2024 (to be published in 2026) will include CEO/Agency Head roles in the calculation of the gender pay gap
Australian Bureau of Statistics (ABS) Average Weekly Earnings[6]	Difference in mean average weekly ordinary time earnings	ABS average weekly earnings survey	Sample of payroll taxation data	11.5% (August 2025)	Data used annualises full-time employees' salaries, underestimating GPG for women in flexible roles
Victorian Public Sector Commission (VPSC)[7]	Median and mean average full-time equivalent annual salary	Annual salary (excluding casuals)	All Victorian public sector organisations	10.1% (2024)	Median avoids skew from outliers; excludes casuals, limiting full workforce picture
ACT Chief Minister, Treasury and Economic Development Directorate[8]	Difference in mean average FTE salary	FTE salary at increment point	ACT public service	1% (2024)	Excludes allowances and part-time adjustments; may understate GPG
Organisation for Economic Co-operation and Development (OECD)[9] – (drawing on ABS data)	Difference in median earnings relative to men	Median gross earnings (full-time)	Full-time wage/ salary workers	11.8% (2023)	Median, internationally comparable; excludes part-time and bonuses
International Labour Organization (ILO)[10]	Factor-weighted GPG across employment clusters	Hourly wages, subgrouped	High-income countries (not Australia-specific)	13.0% (mean average, 2024–25)	Adjusts for employment structure; more nuanced but less transparent and not country-specific

4 WGEA, WGEA Gender Equality Scorecard 2023-24, accessed 10 July 2025
5 WGEA, Commonwealth Public Sector Gender Equality Scorecard: Key Employer Results From 2023, accessed 10 July 2025
6 WGEA, The ABS data gender pay gap, accessed 10 July 2025
7 Victorian Public Sector Commission, Employee pay and gender pay 2024, accessed 10 July 2025
8 ACT Government, State of the Service Report 2023–2024, accessed 10 July 2025
9 Organisation for Economic Co-operation and Development, Gender wage gap, accessed 10 July 2025
10 International Labour Organization, Global Wage Report 2024–25: Is wage inequality decreasing globally?, accessed 10 July 2025

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Understanding the differences in the inclusion and exclusion criteria of data for different organisations is critical, as data selection directly influences the reported figures, the visibility of inequality, and the effectiveness of policy responses. The key implications of method selection include:

1. Scope and inclusion: Including part-time, casual and leadership roles (as WGEA does) reveals broader structural inequalities. Excluding them (as in ABS or ACT methods) can understate the gap.
2. Mean average versus median: Mean average values (WGEA, ACT) are sensitive to outliers (e.g. high-paid executives), while median values (WGEA, OECD, VPSC) offer a more typical experience but may mask extremes.
3. Total renumeration versus base salary: Total remuneration (WGEA) captures bonuses and super, offering a more fulsome picture than base salary alone (WGEA, VPSC, ACT).
4. Comparability: International methods (OECD, ILO) allow global benchmarking but may not reflect local employment structures or policy impacts.
5. Equity lens: Factor-weighted methods (ILO) provide deeper insight into structural drivers but are complex and less transparent for public communication.

In this report, the gender pay gap is calculated based on average hourly earnings calculated from the latest available data from the HILDA Survey, Wave 23 (2023).[11] In drawing on this wave of HILDA data, the hourly gender pay gap estimated in this report captures a cross-section of work roles and employment types, with reporting on total remuneration across all jobs to achieve a fulsome picture of earnings.

The HILDA Survey is a broad social and economic longitudinal survey, with particular attention paid to family and household formation, income and work. HILDA began in 2001 and is collected and published annually by the Melbourne Institute in conjunction with the Australian Government Department of Social Services (DSS). As part of the HILDA Survey methodology, annual interviews are conducted with all adult members of participating households, enabling longitudinal analysis by tracking individuals and families over time. The HILDA Survey sample and response rates have evolved over time. In Wave 23, the survey included over 8,900 households and more than 21,800 individuals.[12] Of these, approximately 10,400 individuals reported working non-zero hours and earning a non-zero income across all jobs. This sample subset is used in this report to analyse the drivers of the gender pay gap.

This report calculates the gender pay gap as the difference between women's and men's average hourly earnings, expressed as a percentage of men's earnings.

$$\text{GPG} = \frac{\textit{Men's average hourly earnings} - \textit{Women's average hourly earnings}}{\textit{Men's average hourly earnings}} \times 100$$

While this equation is used in the calculation of the gender pay gap by many organisations, further detail on the approach used in this report, including data inclusion and exclusion criteria, and the decomposition of the drivers of the gender pay gap, can be found in **Section 3** and **Appendix C**.

Directly comparing international gender pay gaps is challenging due to differences in sources, definitions and the differences in the inclusion and exclusion criteria for each dataset used to calculate gender pay gaps. Further, country-specific factors such as the structure of the economy, legislative measures and practices, how wages are set, the degree of collective bargaining and reporting requirements are important determinants of gender pay gaps. However, as of 2023, gender pay gaps in favour of men have continued to persist in every OECD country despite differences in data sources and calculation methods.[13] In 2023, on average, women across OECD countries earned 11.5% less than men.[14] While there has been some improvement over time, progress remains slow, with only a 2.5 percentage point decrease in the pay gap since 2010.[15]

11 Summerfield, M. et al., HILDA User Manual – Release 23, Melbourne Institute: Applied Economic & Social Research, University of Melbourne, accessed 10 July 2025
12 ibid.
13 OECD, Reporting Gender Pay Gaps in OECD Countries, accessed 11 July 2025
14 OECD, Gender equality and work, accessed 10 July 2025
15 ibid.

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Trends in women's economic participation

Trends in women's economic participation and the distribution of women across full-time, part-time, and casual work compared to men can have a significant impact on the gender pay gap. In Australia, women currently comprise 48.1% of all employed persons, up slightly from 47.7% in August 2023.[16] Women are disproportionately represented in part-time work (accounting for 66.5% of the part-time workforce) and under-represented in full-time work (accounting for 39.8% of the full-time workforce).[17]

There have been significant increases in women's labour force participation, educational attainment (where women now outperform men), and total earnings over the last few decades. As seen in Table 2: Labour force participation rates below, the rate of women's labour force participation has seen an upward trend, reaching 63.3% in August 2025.[18] The participation gap has also seen a steady decrease, dropping by 1.2 percentage points since August 2023. Expressed as a ratio of women's to men's labour force participation, women are under-represented in the workforce by 10.3%. Over the last 40 years, men's labour force participation declined from 75.7% to 70.6%, while women's participation increased from 45.9% to 63.3%.[19]

Table 2: Labour force participation rates

	AUG 2017	AUG 2019	AUG 2021	AUG 2023	AUG 2025
Men	70.5%	71.1%	69.7%	71.1%	70.6%
Women	60.1%	61.1%	60.5%	62.6%	63.3%

Source: ABS (2025), Labour Force – Table 1. Labour force status by Sex, Australia, August 2025 (Seasonally adjusted figures)

As seen in Table 3: Labour force participation by age, August 2025, the rate of women's labour force participation between the ages of 15 and 24 exceeds that of men, at 69.1% as of August 2025. For all age brackets thereafter, the participation rate of women is greater than 6 percentage points lower than for men. Notably, the participation gap in the 35 to 44-year-old age bracket has narrowed by 2.8 percentage points since the last iteration of this report in 2022, from a 9.9 percentage point gap to 6.6 percentage point gap.

Table 3: Labour force participation by age, August 2025

	15-24	25-34	35-44	45-54	55-64	65+
Men	68.8%	90.2%	90.9%	89.1%	73.8%	19.4%
Women	69.1%	82.2%	84.3%	83.0%	64.4%	13.0%
Participation Gap	0.3%	-8.0%	-6.6%	-6.1%	-9.5%	-6.4%

Source: ABS (2025), Labour Force, Australia, Detailed – Table 1. Labour force status by Age, Social marital status, and Sex, August 2025, (Original figures). Note, seasonally adjusted figures were not available at the time of writing this report.

These figures reflect a consistent pattern observed in labour market research with women's workforce participation declining relative to men's from ages 25–44. Large gaps in terms of the number of women out of the workforce appear in the 25–34 years and 35–44 years age groups, where women's participation rates are 8.0 and 6.6 percentage points lower than men's, respectively. This trend is supported by findings from the ABS and the Productivity Commission, which show that women undertake the majority of unpaid care work, influencing their labour force engagement during these life stages.[20,21] The gap in participation rate in the 55–64 years age group is also significant, indicating that women are exiting the labour force earlier than men.

16 ABS, Labour Force, Australia, August 2025 (Seasonally adjusted), accessed 29 September 2025
17 ibid.
18 ibid.
19 ibid.
20 ABS, Unpaid work and the Australian economy, accessed 22 July 2025
21 Productivity Commission, Why did young people's incomes decline?, accessed 7 October 2025

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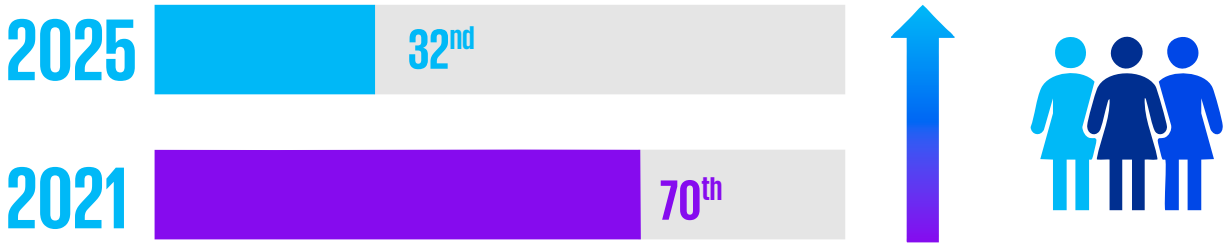
Distribution of income across employed persons is also skewed. WGEA's analysis of employer gender pay gap data reveals that women are 1.5 times more likely to be employed in the lowest remuneration quartile, while men are 1.9 times more likely to be employed in the upper quartile.[22] The gender representation and gender pay gap across income levels is explored later in this report. Higher representation of women in the lower income brackets, relative to men, can reinforce traditional gender roles by making it financially more 'rational' for households to prioritise a man's career. While social attitudes and norms in Australia reflect increasing support for men's greater involvement in domestic work and childcare, research shows that women's participation in the labour market continues to be disproportionately affected by the entry into parenthood, despite slight improvements over time.[23,24,25,26] The impacts of time spent in unpaid care and work are further explored in **Appendix A: Unpaid care and work.**

The World Economic Forum's *Global Gender Gap Report* attempts to benchmark countries' performance on gender equality using the following four key subindexes: economic participation and opportunity; educational attainment; health and survival; and political empowerment. According to the report, Australia's ranking of women's economic participation and opportunity has risen significantly from 70th in the world in 2021 to 32nd in 2025.[27] This subindex seeks to capture the participation gap, the remuneration gap, and the gap between the advancement of women and men.

Figure 1: Australia's global ranking in women's economic participation and opportunity (2021 and 2025)



The increase in Australia's subindex ranking is largely attributed to improvements in the indicator of estimated earned income (for women), which is a proxy for how much command women have over a country's economic resources. This estimation is computed using participation rates, wage gap data, gross domestic product, and population share.

Overall, Australia has seen a relative improvement in general equality, especially in the subindex of political empowerment, with considerable increases to the number of women in parliament and in ministerial positions, and currently scores 13th globally for gender parity in the *Global Gender Gap Report*, up from 50th in 2021.[28]

22 WGEA, Employer gender pay gaps report, March 2025, accessed 10 July 2025
23 Bahar, E. et al., Children and the Gender Earnings Gap: Evidence for Australia. Treasury Working Paper 2023-02, p.4, accessed 10 July 2025
24 Churchill, B., and Craig, L., Men's and women's changing attitudes towards fatherhood and working fathers in Australia, Current Sociology, 70(6), pp.943-963, accessed 10 July 2025
25 Australian Government | Department of the Prime Minister and Cabinet, A 10-year-plan to unleash the full capacity and contribution of women to the Australian economy 2023-2033, accessed 10 July 2025
26 Bahar, E. et al., Children and the Gender Earnings Gap: Evidence for Australia. Treasury Working Paper 2023-02, accessed 10 July 2025
27 World Economic Forum, Global Gender Gap Report 2025 Insight Report, accessed 10 July 2025
28 ibid.

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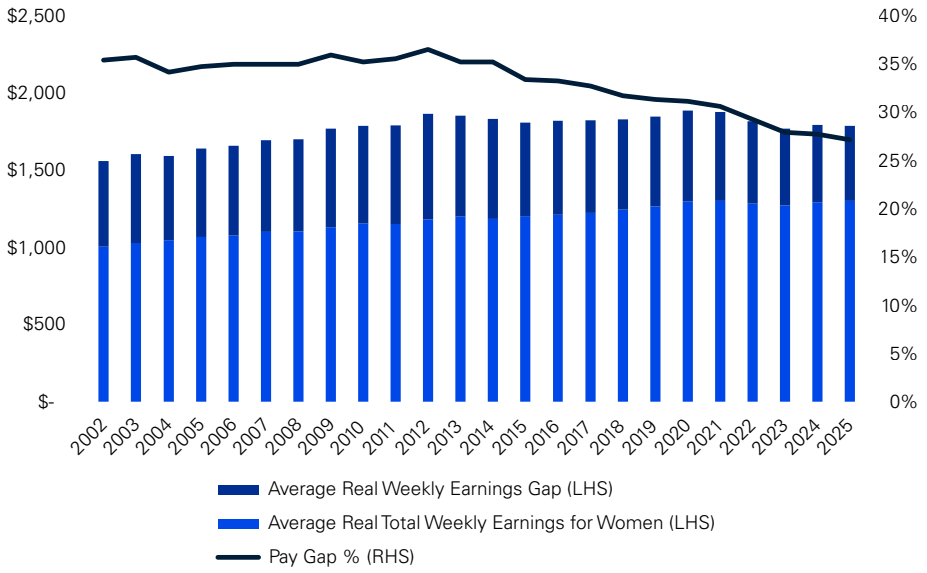
Weekly pay gap

In Australia, gender pay gaps exist nationally across industries and occupations. Data from the ABS shows the gap between men and women in total average weekly earnings, which includes the full-time equivalent of part-time and casual employed persons, has hovered between 37% and 30% over the past 20 years and is currently at its lowest at 27.2%.[29] As seen below, there has been a steady decline in the weekly gender pay gap since 2014.

Chart 1: Average real weekly total earnings



Source: KPMG analysis of ABS (2025), Average Weekly Earnings, Australia, May 2025 – Table 3 (Original)

Across Australia, the weekly gender pay gap varies across states and territories. As of May 2025, Western Australia (WA) had the widest weekly gender pay gap at 37.8%, while the ACT had the smallest weekly gender pay gap at 18.1%.[30] Industry and occupational profiles as well as the underlying structure of the economy influence these differences across jurisdictions. For example, 24.8% of the full-time workforce in WA are employed in the Mining and Construction sectors.[31] These sectors have relatively higher earnings and lower representation of women, where women comprise only 22.1% of the full-time WA workforce in the Mining sector, and 10.2% in Construction.[32] Women in WA are over-represented in historically undervalued and women-dominated sectors, such as Health Care and Education, comprising over 73% and 66% of the full-time workforce in each sector respectively.[33] Comparatively, 28.5% of the full-time workforce in the ACT are employed in the Public Administration and Safety sector.[34] This sector is highly gender balanced, with women comprising 51.4% of the total workforce in the ACT.[35] In conjunction with WGEA's findings that there is a comparatively low Commonwealth public sector pay gap of 6.4%, this may be a significant driving factor for the ACT's average weekly earnings gender pay gap being the lowest of all states and territories.[36]

29 ABS, Average Weekly Earnings, Australia, May 2025 – Table 3, Original, accessed 10 July 2025
30 ABS, Average Weekly Earnings, Australia, May 2025 – Tables 13a-13h, Original, accessed 10 July 2025
31 ABS, Labour Force, Australia, Detailed, May 2025, Table 5, accessed 10 July 2025
32 ABS, Labour Force, Australia, Detailed, May 2025, EQ06, accessed 10 July 2025
33 ibid.
34 ABS, Labour Force, Australia, Detailed, May 2025, Table 5, accessed 10 July 2025
35 ABS, Labour Force, Australia, Detailed, May 2025, EQ06, accessed 10 July 2025
36 WGEA, Commonwealth Public Sector Gender Equality Scorecard: Key Employer Results From 2023, accessed 10 July 2025

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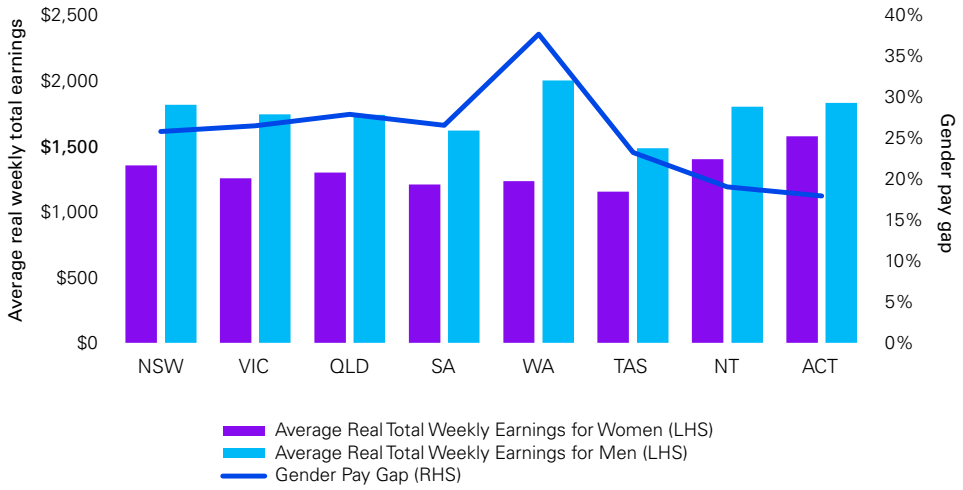
Chart 2: Average total weekly earnings by state/territory



Source: ABS (2025), Average Weekly Earnings, Australia, May 2025 – Tables 13a-13h

Hourly pay gap

The hourly gender pay gap differs from weekly measures, by eliminating the impact of variability in labour force participation. Noting that individual dataset and measurement differences persist, a similar effect can also be achieved by annualising pay for part-time and casual employees.

In Australia, women are more likely to be employed on a casual basis or to be working reduced weekly hours, compared to men. This is an important factor when considering drivers of the gender pay gap, given that the disparity results in fewer paid hours of work for women overall. Further, the pay gap is driven by the lower rates of pay in the occupations and industries where women are more likely to be employed. Both these factors are likely to be strongly associated with the substantial caregiving responsibilities that many women balance, which present challenges to working full-time and require the flexibility provided by casual or part-time working arrangements. This kind of flexibility is also more readily available in industries and occupations that attract lower hourly rates of pay, amplifying the hourly gender pay gap across industries.

It is important to note that the hourly pay gap alone does not account for gender differences in annual 'take-home' pay and purchasing power (the ability to buy goods and services), given women's over-representation in part-time work and higher likelihood of experiencing underemployment.

For this report, hourly wages are calculated by dividing total earnings by total hours worked. The total earnings variable is imputed by HILDA based on the gross weekly wages and on salaries respondents provide for all their jobs. The hourly gender pay gap is then calculated using the difference between men's average hourly earnings and women's average hourly earnings, divided by men's average hourly earnings. These calculations are depicted below:

$$\text{Hourly earnings} = \frac{\textit{Total earnings}}{\textit{Total hours worked}}$$

$$\text{Hourly gender pay gap} = \frac{\textit{Men's average hourly earnings} - \textit{Women's average hourly earnings}}{\textit{Men's average hourly earnings}} \times 100$$

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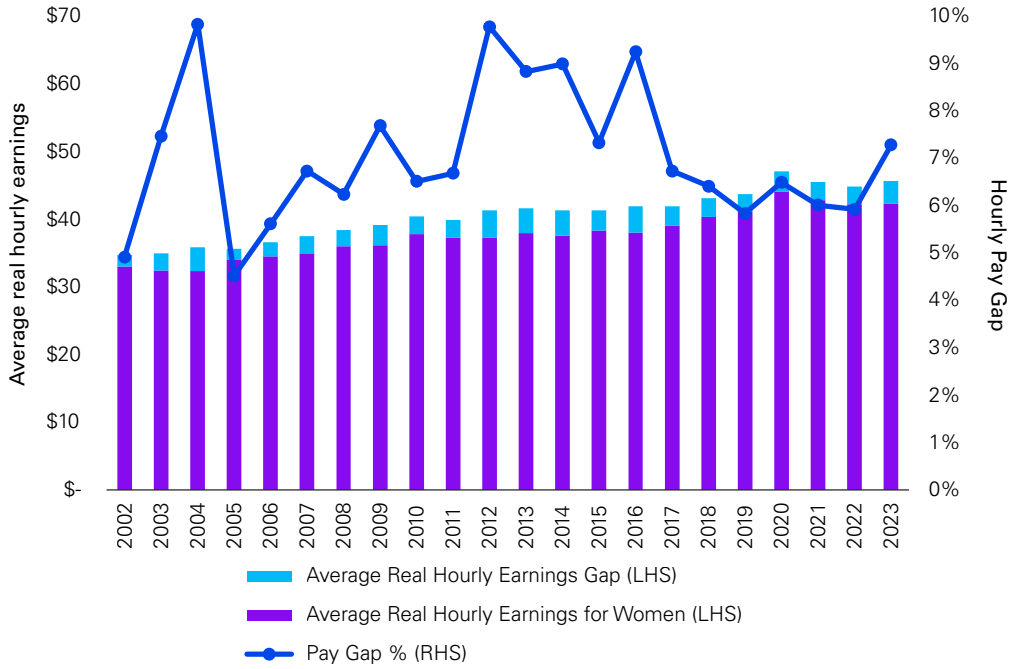
Data from the 2023 HILDA Survey (Wave 23) shows that, on average, women in Australia earned $42.26 per hour while men earned $45.57 per hour in 2023, resulting in an hourly wage gap of 7.3%. This represents an increase from a 6.5% gap in 2020, the reference year used in the previous iteration of this report series.[37]

Notably, the year-on-year change between 2022 and 2023 was more pronounced, with the gap widening by 1.4 percentage points (Chart 3: Changes in the calculated hourly gender pay gap between 2002 and 2023). This is a departure from the otherwise steady decrease in the pay gap since 2017, noting a slight increase between 2019 and 2020 before returning to a decrease in 2021 and 2022. In combination with weekly wage gap data and noting the limitations of the HILDA survey format, there is potential that the 2023 result may be outlying from the overall decreasing hourly pay gap trend, or may represent a fluctuation in the data used. The hourly gender pay gaps between 2002 and 2023 estimated from HILDA data are summarised below.

Chart 3: Changes in the calculated hourly gender pay gap between 2002 and 2023



Source: KPMG analysis of the HILDA in Australia Survey, Waves 2–23 (HILDA Survey)

Note: This figure uses Release 23 data only to produce like-for-like analysis. Historical figures may differ slightly due to revisions made by HILDA across releases.

37 Based on HILDA Wave 17, Release 17 data

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Pay gap initiatives and awareness

In Australia, there is an increasing focus on gender equality and drivers of the gender pay gap by government, business and community. These are considered in more detail below.

Legislative framework

Australia's journey toward workplace gender equality began with the 1969 equal pay case, which sought equal pay for all employees. The decision of this case established the national women's award minimum wage at 85% of the men's minimum wage, with an exception for equal pay for women in traditionally 'male' roles where women were assessed as doing the exact same work as men.[38] A review of the equal pay case was conducted in 1972, where the principle of 'equal pay for work of equal value' based on the similarity of content and tasks of a role was established.[39]

This foundational moment was progressively embedded in legislation, from the *Affirmative Action Act 1986* to the *Workplace Gender Equality Act 2012*, with each iteration expanding the scope of employer responsibility and government support. The *Workplace Gender Equality Act 2012* aims to improve and promote equality for both women and men in the workplace.

The objectives of the *Workplace Gender Equality Act 2012* are to:

- promote and improve gender equality (including equal remuneration between women and men) in employment and in the workplace
- support employers to remove barriers to the full and equal participation of women in the workforce, in recognition of the disadvantaged position of women in relation to employment matters
- promote, among employers, the elimination of discrimination on the basis of gender in relation to employment matters (including in relation to family and caring responsibilities)
- foster workplace consultation between employers and employed persons on issues concerning gender equality in employment and in the workplace
- improve the productivity and competitiveness of Australian business through the advancement of gender equality in employment and in the workplace.[40]

WGEA was created as an Australian Government statutory agency under the *Workplace Gender Equality Act 2012* which stipulates the requirements for employers reporting to WGEA.

Amendments in 2023 and 2025 have significantly strengthened Australia's legislative framework beyond the *Workplace Gender Equality Act 2012*. Employers must now report more detailed data, share findings with governing bodies and, if directly employing 500 or more people, set and meet gender equality targets. These large employers are also required to have a policy or strategy for each of the six gender equality indicators. The legislative reforms enabled WGEA to publish gender pay gaps for individual employers for the first time in February 2024. These changes increase transparency and accountability, creating stronger incentives for progress.[41]

Following the 2020 Respect@Work: Sexual Harassment National Inquiry Report by the Australian Human Rights Commission, the *Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022* came into effect. This amendment made vital changes to the *Sex Discrimination Act 1984* and *the Australian Human Rights Commission Act 1986*, to improve employee protection from sexual harassment in the workplace.

This inquiry also resulted in the Australian Government expanding the information WGEA was able to source from employers on sexual harassment and discrimination. This has enabled WGEA to measure the sixth gender equality indicator (GEI 6), which is sexual harassment, harassment on the ground of sex or discrimination.[42] This indicator analyses the policies, strategies and preventative actions reported by employers in responding to sexual harassment and discrimination in the workplace.

38 National Museum of Australia, Equal pay for women, accessed 21 August 2025
39 Parliamentary Education Office, Equal pay case, accessed 21 August 2025
40 Australasian Legal Information Institute, Workplace Gender Equality Act 2012 (Cth), accessed 8 October 2025
41 ibid.
42 WGEA, Australia's Gender Equality Scorecard: Key results from the Workplace Gender Equality Agency's Employer Census 2023-24, accessed 8 October 2025

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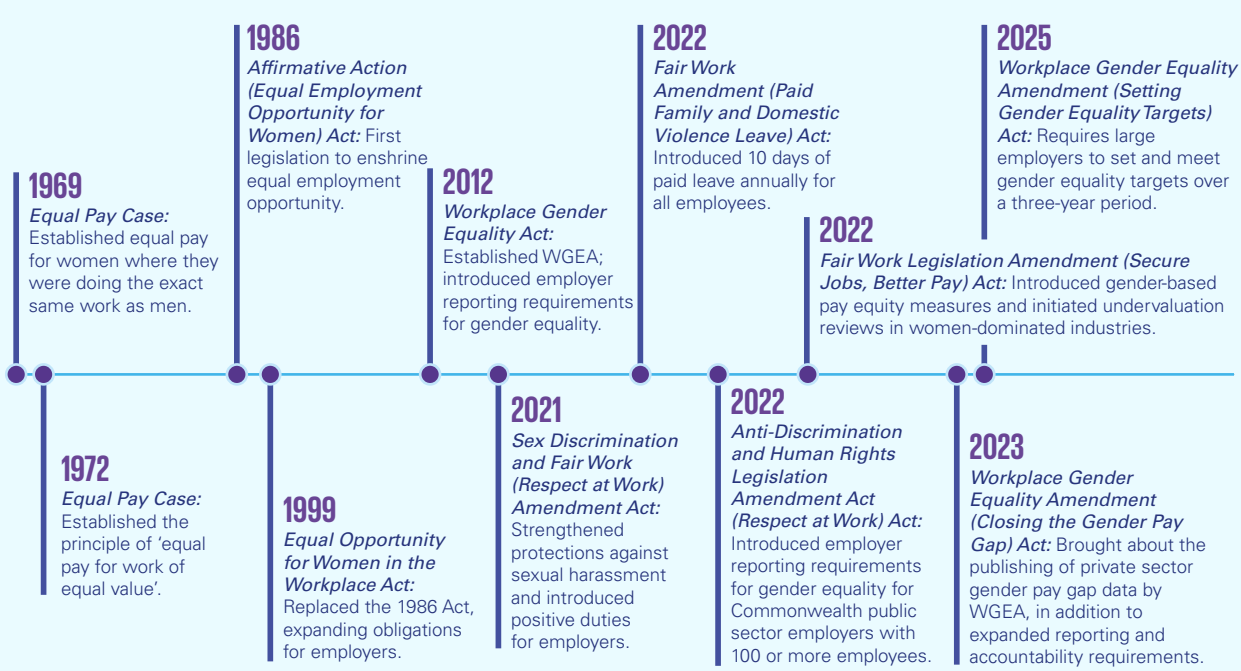
In addition, the *Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022* amended the *Workplace Gender Equality Act 2012* such that all Commonwealth entities and employers with 100 or more employees have been required to report to WGEA since 2023. The Commonwealth Public Sector Gender Equality Snapshot that WGEA produced in 2022 came before this enactment of compulsory reporting and used voluntarily reported gender equality data from invited Commonwealth entities.

Parallel reforms to the *Fair Work Act* have addressed structural barriers to equality, including paid family and domestic violence leave, protections against sexual harassment, and mechanisms to correct gender-based pay undervaluation in women-dominated industries.[43,44]

This legislative evolution reflects a shift from principle to practice. By embedding gender equality into workplace law and requiring measurable action, Australia is building the infrastructure needed to close the gender pay gap. The reforms signal that equality is not just aspirational, it is enforceable, trackable and central to workplace productivity and fairness.



The establishment of WGEA in 2012 marked a global first, requiring private sector employers with 100 or more employees to report on workforce and governing body composition, remuneration, and the actions, policies and strategies they have in place to improve workplace gender equality. This data-driven approach has enabled WGEA to publicly report and provide analysis on employer results against the six gender equality indicators, and provide supporting educational materials for employers.[45]

Policy direction

In March 2024, the Australian Government established *Working for Women: A Strategy for Gender Equality* (Working for Women), a 10-year strategy for gender equality focused on driving action across five priority areas. The rationale and associated actions of the priority areas are outlined below in Table 4: Working for Women: A Strategy for Gender Equality incorporates a reporting framework, with set outcomes and indicators, and annual reporting mechanisms to track its success over time. This includes a midpoint review in 2029 to consider the strategy's progress, focus, and further actions required. The priority areas identified in *Working for Women* are key in informing government decision-making and policy and are referenced throughout the Federal Budget 2025–26.[46]

43 Fair Work Amendment (Paid Family and Domestic Violence Leave) Act 2022 (Cth)
44 Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 (Cth)
45 WGEA, Reporting guides: Gender Equality Reporting Programs, accessed 22 July 2025
46 Commonwealth of Australia, Women's Budget Statement 2025-26, accessed 17 June 2025

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Table 4: Working for Women: A Strategy for Gender Equality

PRIORITY AREA	RATIONALE	AUSTRALIAN GOVERNMENT ACTIONS
Ending gender-based violence	Gender-based violence undermines women's safety, wellbeing, and economic participation. Its long-term impacts – such as trauma, disrupted employment, and financial insecurity – contribute to gendered economic disadvantage and limit women's ability to fully engage in the workforce. Addressing violence is foundational to enabling women's equal participation and closing the gender pay gap.	To achieve gender equality, men's violence must end, so women can be and feel safe. The Australian Government is committed to effective action, including working with states and territories, examining systems, and challenging gender attitudes and stereotypes to improve women's safety.
Unpaid and paid care	The unequal distribution of unpaid care work is a key structural barrier to gender equality in the labour market. It limits women's access to full-time, secure employment and leadership roles, contributing to lower lifetime earnings and superannuation. Addressing this imbalance is essential to reducing the gender pay gap and improving women's economic security.	To achieve gender equality, unpaid and paid care responsibilities need to be more equally shared, and care needs to be valued and celebrated. The Australian Government is committed to helping families balance caring responsibilities and juggle work and care, and to value unpaid and paid care and support work in Australia.
Economic equality and security	Persistent gender pay gaps and higher rates of poverty among women reflect systemic inequalities in workforce participation, pay structures, and access to economic resources. These disparities compound over time, affecting women's ability to recover from violence, secure housing, and retire with financial independence. Closing these gaps is critical to achieving gender equality.	To achieve gender equality, there needs to be a sustained reduction in the gender gaps in pay and retirement incomes. The Australian Government is committed to improving women's economic equality across their lifetimes.
Health	Gender bias in health systems can delay diagnosis and treatment for women, affecting their ability to maintain consistent workforce participation. For men, stigma around help-seeking can also impact wellbeing and productivity. A gender-responsive health system supports economic participation and reduces barriers to employment for all genders.	To achieve gender equality, the health system needs to respond to the needs of women, men and gender diverse people. The Australian Government leads a national approach on health through policies and programs, subsidies for health services and medicines, regulation of medical devices and treatments and work with states and territories to deliver a vision for greater health and wellbeing for all Australians.
Leadership, representation, and decision-making	Women's under-representation in leadership and decision-making roles limits their influence over policies and systems that affect economic outcomes. Increasing representation ensures that workplace and economic policies reflect diverse needs and experiences, helping to dismantle structural drivers of the gender pay gap.	To achieve gender equality, more women, including First Nations women and women from diverse backgrounds, need to be represented in decision-making and design, leadership and in public life. The Australian Government is committed to leading by example within parliament, Australian Government Boards, and the Australian Public Service. Policy will also be informed by the voices and lived experiences of diverse people.

Source: Commonwealth of Australia, Working for Women: A Strategy for Gender Equality, accessed 17 June 2025

Since the last iteration of this report, all Australian jurisdictions have published either a Women's Budget Statement or a supporting factsheet alongside their 2025–26 Budget. Several jurisdictions, including the Commonwealth, New South Wales and Victoria have incorporated gender analysis and considerations into their budget processes and policy development, demonstrating a growing commitment to gender-responsive budgeting.

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An analysis of the *Working for Women* strategy, the Federal Budget 2025–26, and Australian jurisdiction budget statements have identified four major trends around the policy and spend addressing the gender pay gap, and broader economic security for women. These trends are explored below.

1. Addressing unpaid and paid care

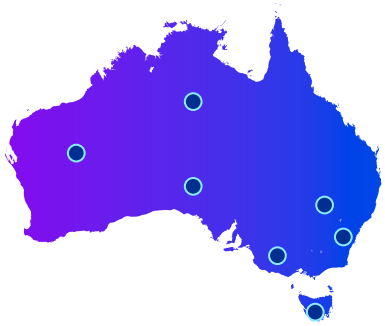
The Australian Government has acknowledged the need for a more equitable distribution of both unpaid and paid care responsibilities between genders. Recent commitments in the budget aim to support this shift by enhancing parental leave schemes, increasing childcare subsidies, and strengthening the early childhood education and care workforce.

For families with children born or adopted after 1 July 2025, superannuation will be paid by the Australian Government on government-funded parental leave pay.[47] Additionally, by 1 July 2026, government-funded parental leave will be fully extended to 26 weeks.[48] However, in the current design of the government scheme, eligibility for Parental Leave Pay depends on the first parent meeting the work test. In the case of a birth, this requirement applies to the birth mother, in the case of surrogacy or adoption, it applies to the first adoptive or gaining parent. Other parents are able to claim or share Parental Leave Pay only if the first parent meets the work test. Any transfer of Parental Leave Pay days between parents must also be formally approved.[49] These requirements may unintentionally limit flexibility for parents seeking to take extended time away from work or seeking to split traditional caregiving roles.

Childcare subsidies will also increase from January 2026, with families eligible for at least 72 hours of subsidy each fortnight for early childhood education and care, and 100 hours subsidised per fortnight for families caring for a First Nations child.[50] Additional support to the early childhood education and care system include a phased 15% wage increase for care workers.[51]

The impact of unpaid care and work on the gender pay gap is explored later in this report in **Section 4: Years not working due to interruptions** and **Appendix A: Unpaid care and work**.

Table 5: **Examples of unpaid and paid care initiatives by jurisdiction**



JURISDICTION		INITIATIVE
WA	$46 million	to extend superannuation on unpaid parental leave from 12 to 24 weeks for all state public sector employed parents.[52]
SA	$27.7 million	over four years to accelerate 3-year-old preschool commissioning in long day care settings; $3 million over two years to support continuation of preschool out-of-school-hours care trials.[53]
TAS	$10 million	$10 million for upgrades and establishment of onsite Outside School Hours Care facilities in primary and district schools.[54]
VIC, NSW, ACT, NT		Childcare and early childhood education funding and subsidies to operators and families included in state budgets. [55,56,57,58]

47 Australian Taxation Office, Paid Parental Leave Superannuation Contribution, accessed 17 June 2025
48 Prime Minister and Cabinet portfolio, More Paid Parental Leave for Australian families than ever before, accessed 17 June 2025
49 Services Australia, Who can get it, accessed 21 August 2025
50 Commonwealth of Australia, Women's Budget Statement 2025-26, accessed 17 June 2025
51 ibid.
52 Government of Western Australia, WA 2024-25 Budget Overview, accessed 17 June 2025
53 Government of South Australia, State Budget 2025-26: Women's Statement, accessed 17 June 2025
54 Tasmanian Government, 2024-25 Tasmanian Gender Budget Statement, accessed 18 June 2025
55 State of Victoria, Focused On What Matters Most: Gender Equality Budget Statement 2025-2026, accessed 17 June 2025
56 NSW Government, NSW Budget 2024-25: Gender Equality Budget Statement, accessed 17 June 2025
57 ACT Government, Budget 2024-25: Women's Budget Statement, accessed 17 June 2025
58 Northern Territory Government, Women in the Territory – Fact Sheet: Budget 2024, accessed 17 June 2025

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2. Supporting women returning to work

To support women's participation in industries traditionally dominated by men, the Australian Government has launched a $16.4 million tripartite pilot grants program, working with industry, employers, and trade unions to make workplaces safe, more respectful, and more equitable for women in these industries.[59] The pilot program opened in July 2025 for application to peak employer organisations and state and territory trades and labour councils. Through these grants, the program aims to identify actions that will deliver tangible outcomes for these industries, with a focus on safe and dignified amenities, flexible work, and inclusive workplace cultures.

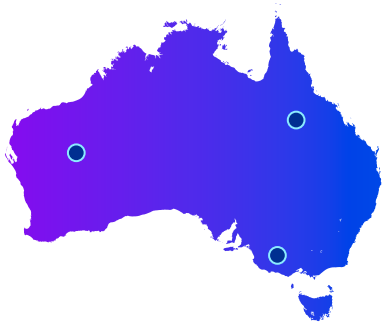
Table 6: Examples of returning to work initiatives by jurisdiction

JURISDICTION		INITIATIVE
NSW	$2 million	$2 million (2024–25) for Return to Work Pathways Program: grants for tailored supports, mentoring, training, work readiness, employment pathways, and employer engagement.[60,61]
ACT		Women's Return to Work Grant: supports women out of workforce ≥6 months; includes one-on-one mentoring for employment support.[62]

3. Encouraging women's participation in traditionally men-dominated industries

Women's participation in industries traditionally dominated by men, such as construction, clean energy, advanced manufacturing and ICT is also encouraged through Australian Government funding of the Building Women's Careers Program, and the Australian Skills Guarantee. The Building Women's Careers Program funds partnership processes to improve women's access to opportunities in these industries, while the Australian Skills Guarantee instates participation targets for women in major government procurements in the construction and ICT sectors.[63,64]

Table 7: Examples of women's participation in men-dominated industry initiatives by jurisdiction



JURISDICTION		INITIATIVE
QLD		*Queensland Workforce Strategy Action Plan 2022–25* and *Women in Manufacturing Strategy*; additional support via *Women in Industry Grant Program*.[65,66,67]
WA	$3 million	to support up to 400 women undertaking TAFE training in non-traditional trades and technical occupations, including STEM and building construction.[68]
VIC		*Making it Equal: Victoria's Women in Manufacturing Strategy* to increase women's participation in the manufacturing sector.[69]

59 Gallagher, K & Watt, M, Pilot program to drive gender equality in Australian workplaces, Ministers' Media Centre, accessed 18 June 2025
60 NSW Government, NSW Budget 2024-25: Gender Equality Budget Statement, accessed 17 June 2025
61 NSW Government, Return to Work Pathways Program, accessed 17 June 2025
62 ACT Government, Funding and support to help women return to work, accessed 17 June 2025
63 DEWR, About the Building Women's Careers Program, accessed 18 June 2025
64 DEWR, Australian Skills Guarantee, accessed 18 June 2025
65 Department of Trade, Employment and Training, Queensland Workforce Strategy Action Plan 2022-2025, accessed 18 June 2025
66 Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development, Women in Manufacturing strategy, accessed 18 June 2025
67 Office for Women, Women in Industry grant program, accessed 18 June 2025
68 Government of Western Australia, WA 2024-25 Budget Overview, accessed 18 June 2025
69 Victorian Government, Making it equal: Victoria's women in manufacturing strategy, accessed 18 June 2025

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The impact of gender segregation in industries on the gender pay gap is explored later in this report in **Section 4: Type of job** and **Appendix A: Type of job**.

4. Reducing barriers for entering the workforce

The Australian Government is undertaking reforms to the vocational and tertiary education system to support priority groups' participation in the workforce. Alongside partnerships with state and territory governments for continued investment into fee-free Technical and Further Education (TAFE) placements between 2023–2026, the Australian Government has passed the *Free TAFE Act 2025*, which will provide ongoing financial support to states and territories for the delivery of free TAFE and vocational education and training (VET) places.[70,71] While these initiatives are not specifically targeted at women, women facing economic insecurity and women undertaking study in non-traditional fields have been identified as priority groups to receive fee-free TAFE and VET places.[72] This scheme has the potential to help reduce barriers to accessing higher education, and in turn, reduce barriers to entry for skilled work.

Additional supports include the establishment of a new Commonwealth Prac Payment, and reforms to the Higher Education Loan Program (HELP) and other student loans. From July 2025, the Commonwealth Prac Payment will provide means-tested financial support for students undertaking mandatory placements in teaching, nursing and midwifery, and social work as part of their tertiary and vocational studies – industries which are traditionally women-dominated and often lower paid despite their critical social value.[73] The Australian Government is also providing a 20% reduction in HELP or student loan debt, alongside changes to the repayment system.[74,75]

The impact of education on reducing the gender pay gap is explored later in this report in **Section 4: Education** and **Appendix A: Education and skills differentials**.

70 Commonwealth of Australia, Federal Register of Legislation, Free TAFE Act 2025 (Cth), accessed 18 June 2025
71 DEWR, Fee-Free TAFE, accessed 18 June 2025
72 ibid.
73 Department of Education, Commonwealth Prac Payment, accessed 18 June 2025
74 Department of Education, 20% reduction of student loan debt, accessed 18 June 2025
75 Department of Education, Making HELP and student loan repayments fairer, accessed 18 June 2025

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Business and industry

Awareness and advocacy

Gender equality continues to gain momentum across Australian workplaces, driven by a coalition of influential organisations and industry bodies committed to reforming workplace culture and addressing systemic inequality. Advocacy efforts are increasingly focused on raising awareness, challenging entrenched norms, and promoting structural change.

The Champions of Change Coalition is one example of this shift and focuses on reframing gender equality as a shared responsibility, not solely reliant on women to drive change. It calls for active leadership from men to accelerate progress on what is fundamentally a social and economic issue. The Coalition comprises 263 CEO and Board-level leaders representing over 1.5 million employees across 155 countries. Its 14 cross-sector and industry-specific groups – spanning energy, property, construction, rail, and transport – enable targeted action and sector-wide transformation. According to its *2024 Impact Report*, 96% of member organisations have implemented systems to mitigate bias in recruitment and promotion, and 80% have policies to support increased uptake of parental leave by men.[76]

Industry peak bodies and unions are also playing a pivotal role in advocating for gender equity. For example, Australian Women Lawyers, the peak body for women lawyers' associations in Australia, serves as a justice and equity champion seeking to advance women in the legal profession.[77] Additionally, the Australian Council of Trade Unions has been instrumental in developing policy submissions and reports that spotlight the gender pay gap and workplace discrimination. These efforts aim to influence legislative and organisational change across sectors.[78]

DCA, as Australia's leading voice on diversity and inclusion, drives progress on gender equality through evidence-based research, expert-led education and training, events, advocacy, practical tools and resources that support more equitable and inclusive workplaces. DCA's initiatives equip organisations to challenge the systems and norms that entrench inequality. Their work highlights that gender inequality is embedded in workplace systems and norms, and that meaningful progress requires an inclusive and intersectional approach. At the heart of this approach is the belief that achieving true gender equality depends on everyone being part of the solution.

The Workplace Gender Equality citation program is one of WGEA's initiatives and recognises organisations demonstrating leadership in gender equality. Relaunched with two tiers – Employer of Choice for Gender Equality and Employer Committed to Gender Equality – the citation aligns with the *Workplace Gender Equality Act 2012* and reflects the growing recognition of gender equality as a hallmark of high-performing organisations. In 2024, 115 Australian organisations earned the Employer of Choice citation.[79]

Together, these organisations and industry bodies, among others, are driving a national movement that positions gender equality not just as a workplace issue, but as a cornerstone of sustainable economic and social progress.

76 Champions of Change Coalition, 2024 Impact Report, accessed 22 July 2025
77 Australian Women Lawyers, About AWL, accessed 26 August 2025
78 Australian Council of Trade Unions, www.actu.org.au/policy/, accessed 26 August 2025
79 WGEA, Employer of Choice for Gender Equality citation holders, accessed 22 July 2025

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Diversity in ASX leadership

In Australia, the share of women on the Boards of ASX 200 listed companies grew from 8.3% in 2009 to a record high of 38.1% in 2025.[80,81] The ASX Corporate Governance Council introduced a target-setting diversity policy in 2010 that encourages listed companies to establish measurable objectives for gender diversity and report on their progress. The increase in share of women on ASX 200 Boards is at least partially attributed to this policy. This is similarly reflected in the ASX 300, where women represent a share of 37% of directors, and women are represented on every Board within the ASX 200.[82] This momentum has extended to executive leadership, with the investor-led 40:40 Vision initiative – spearheaded by HESTA and supported by WGEA, Chief Executive Women, and others, aiming for gender-balanced executive teams across ASX 300 companies by 2030.[83] However, while gender diversity has improved, cultural and racial diversity remain stagnant. The 2025 Board Diversity Index shows Anglo-Celtic directors make up 91.9% of Board members, up from 91.2% in 2024, highlighting a lack of cultural representation.[84]

To address this gap, initiatives including the RISE Project, which is a collaboration between DCA, Settlement Services International (SSI) and Chief Executive Women, are working to build leadership pathways for women from CARM backgrounds.[85] Funded by the Australian Government from 2022 to 2026, RISE supports 25 organisations to implement change interventions and dismantle systemic barriers to leadership. DCA's CARM Women in Leadership report provides a practical framework to help organisations to identify and address 'talent locks' that limit access to senior roles for diverse women.[86]

Advances in parental leave policies

Since the last iteration of *She's Price(d)less*, there has been notable progress in the adoption of leading parental leave policies across Australian workplaces. According to the 2023–24 WGEA Employer Census, 67.6% of employers now offer employer-funded paid parental leave – with 18.3% of all employers offering universally available parental leave models – with most also paying superannuation on this leave.[87] This is complemented by the government-funded Paid Parental Leave scheme, which is being progressively extended to 26 weeks by July 2026 and from July 2025 has included a superannuation contribution.[88,89]

There remains opportunity for progress, since this leaves 32.4% of employers who do not offer employer-funded paid parental leave. This may be more prevalent in small and medium sized businesses not captured in the WGEA dataset; whereas larger employers are more likely to offer paid parental leave, with 87% of employers with over 5,000 employees offering paid parental leave.[90] Where no employer funded parental leave is offered, employees are more likely to be reliant on the government-funded Paid Parental Leave scheme, which is paid at the National Minimum Wage.[91] For many working parents the National Minimum Wage may represent a significant reduction in income compared to employer funded schemes which typically align with salary. As women are more likely to take parental leave relative to men, women are adversely impacted by this income drop.

While there has been a 5-percentage point increase in men taking primary carer leave since the last report, men still account for only 17% of all primary carer leave taken.[92] Though cultural and policy barriers persist, it should be noted that this figure may not account for the uptake of universal parental leave (which does not distinguish between primary and secondary carers) by men. The current design of the government scheme requires the first parent to meet the work test, in order to claim Parental Leave Pay. In the case of a birth this applies to the birth mother, while in the case of surrogacy or adoption it applies to the first adoptive or gaining parent. Any sharing of Parental Leave Pay with a secondary parent must be formally approved. These requirements may unintentionally reinforce traditional caregiving roles.[93]

80 Australian Institute of Company Directors, 2016 Annual Review, accessed 30 September 2025
81 Australian Institute of Company Directors, Gender Diversity Snapshot: April 2025 to June 2025, accessed 8 July 2025
82 Fitzsimmons, T., Gender equality: Lessons from women on boards, Australian Gender Equality Council, accessed 8 July 2024
83 Hesta, 40:40 Vision, accessed 8 July 2025
84 Watermark Search International, 2025 Board Diversity Index, accessed 22 July 2025
85 Diversity Council Australia, Culturally and Racially Marginalised Women in Leadership, accessed 8 July 2025
86 ibid.
87 WGEA, Employer Data Explorer, accessed 8 July 2025
88 Services Australia, Paid Parental Leave scheme Employer Toolkit, accessed 8 July 2025
89 Services Australia, Paid Parental Leave Superannuation Contribution (PPLSC) 007-23030219, accessed 24 September 2025
90 WGEA, Australia's Gender Equality Scorecard: Key results from the Workplace Gender Equality Agency's Employer Census 2023-24, accessed 7 July 2025
91 Services Australia, Rate of Parental Leave Pay (PPL), accessed 22 July 2025
92 WGEA, Employer Data Explorer, accessed 22 July 2025
93 Services Australia, Who can get it, accessed 21 August 2025

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Parents of all genders face discrimination and stigma when taking parental leave. For women, this is the case despite it being considered the gendered cultural norm for women to take parental leave. For men, there is stigma and discrimination faced when taking parental leave, with many reporting that workplace culture discourages them from doing so.[94] Norms around the 'ideal worker' and men as breadwinners continue to shape perceptions of masculinity and caregiving.[95] There is work to do across both men and women dominated industries. For example, the Education and Training sector, which is women-dominated, has the highest proportion of employers (12%) that offer parental leave to women only, representing an area of improvement.[96] This is followed by Mining, a men-dominated sector, where up to 10% of employers still limit primary carer's leave to women only.[97]

Despite progress, many Australian parents continue to miss out on equitable access to paid parental leave. Small businesses may find parental leave a challenge, since the output and cost associated with one employee could be material to the business, concurrently the responsibilities of that employee may not be easily redistributed among colleagues. Additionally, small businesses may have limited human resources staff and other supporting policies and systems.[98] These reasons are likely part of the explanation for small businesses reporting negative organisational attitudes towards flexible work.[99] Addressing these attitudes and understanding the value of parental leave to maintaining strong talent is essential to achieving gender equality in both the workplace and the home.

Gender stereotypes and community attitudes

Gender stereotypes

People's lives are shaped by gender norms and stereotypes. Gender stereotypes refer to:

- how people are divided into categories of 'man' and 'woman', without recognition of the full spectrum of gender diversity
- the meanings given in society to being a 'man' or a 'woman', such as how men and women are 'supposed' to talk, think, look and behave
- different images and representations of people with particular gender identities
- the organisation of people's lives, including who holds power and makes decisions, who does what kind of work, and expectations around how a person's sexuality can be expressed based on their gender.[100]

Community attitudes

Community attitudes play an important role in changing gender stereotypes and achieving progress on gender equality. In Australia, there have been several studies undertaken in recent years to understand how community attitudes are changing, and how they vary across different industries and parts of the community. As noted in Table 8 below, evidence from these studies suggest that while challenging attitudes persist in a lot of areas, there have been some improvements in attitudes supportive of gender equality.

94 WGEA, Gender Equality and Men, accessed 22 July 2025
95 WGEA, Advancing Paid Parental Leave and Flexibility in the Workplace, accessed 22 July 2025
96 WGEA, Australia's Gender Equality Scorecard: Key results from the Workplace Gender Equality Agency's Employer Census 2023-24, accessed 7 July 2025
97 ibid.
98 WGEA and Economic Security4Women, Pay Equity for Small Business, accessed 24 September 2025
99 Victorian Equal Opportunity and Human Rights Commission, Equal Pay Matters: Achieving Gender Pay Equality in Small-to-Medium Enterprises, accessed 20 August 2025
100 Commonwealth of Australia, Working for Women: A Strategy for Gender Equality, accessed 17 June 2025

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Table 8: Key research on community attitudes towards gender equality in Australia

PUBLICATION	KEY FINDINGS
International Women's Day 2024: *Global attitudes towards women's leadership*[101] **2024**	**43%** of Australian respondents agreed that when it comes to giving women equal rights with men, 'things have gone far enough'. **61%** of Australian respondents agreed that 'there are actions [they] can take to promote equality between men and women'.
Gender Compass: *A segmentation of Australia's views on gender equality*[102] **2023**	**72%** of respondents were in favour of actions being taken by individuals, businesses, and/or governments to improve gender equality in Australia. **59%** of respondents felt that gender equality has nearly or has already been achieved in Australia. **58%** of respondents agreed that some jobs are naturally suited to men, and some are naturally suited to women.
Attitudes matter: *The 2021 National Community Attitudes towards Violence against Women Survey*[103] **2023**	**9%** of respondents aged 16 to 24 years agreed that men make more capable bosses, compared to 10% of respondents aged over 25. **7%** of respondents agreed that discrimination against women is no longer a problem in the workplace in Australia. **4%** of respondents think it is embarrassing for a man to have a job that is usually held by a woman.

101 Ipsos, International Women's Day 2024: Global attitudes towards women's leadership, accessed 8 July 2025
102 Plan International Australia, Gender Compass: A segmentation of Australia's views on gender equality, accessed 8 July 2025
103 Coumarelos, C. et al., Attitudes matter: The 2021 National Community Attitudes towards Violence against Women Survey (NCAS), ANROWS, accessed 8 October 2025

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03

Approach

This section outlines the approach to analysing drivers of the gender pay gap in Australia, further detailed information is available at Appendix C.

Background

There are several analytical approaches to understand the drivers (also referred to as decomposition) of the gender pay gap. All approaches have strengths and limitations and use different data. A high-level summary of these, including the method adopted for this report iteration, is outlined in Table 9.

Consistent with the 2009, 2016, 2019, and 2022 reports, this report applies the Walby and Olsen technique, tailored for the Australian context, and updated with the most recent data available (2023). This approach was originally developed and applied in the United Kingdom (UK). The underlying rationale of the methodology is that it attempts to isolate the impact of gender discrimination (the target variable) by simulating the hypothetical changes needed to bring women's levels of these variables in line with those of men, while controlling for as many other known external factors on differences between equivalent male and female employee's pay as is practical within the constraints of available published data.[104]

The analysis is based on individuals who indicated that they were employed in the HILDA Survey and assumes that wages were broadly equivalent to the value of a person's output.[105] The gender-linked component of the pay gap can materialise in various ways, including (but not limited to) the systematic undervaluation of women's economic contribution, the allocation of less productive tasks to women, or fewer opportunities for promotion.

104 Olsen, W. and Walby, S., Modelling gender pay gaps, Working Paper No. 17, Equal Opportunities Commission (UK), pp. 24, accessed 8 October 2025

105 It is important to note that the implication is *not* that women are currently paid less than men because they are not as productive and is in no way a reflection on the current contribution or value of the work of women. Instead, wages are used as a substitute for productivity, which is widely recognised as an acceptable proxy. See Walby, S. and Olsen, W., The impact of women's position in the labour market on pay and implications for UK productivity, Report to Women and Equality Unit, pp. 18-20, accessed 8 October 2025

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Table 9: Strengths and limitations of techniques to decompose gender gap gaps

TECHNIQUE	STRENGTHS	LIMITATIONS
Walby and Olsen simulation technique	Enables direct discrimination to be measured Allows emphasis on policy relevant variables and treats others as controls or irrelevant Removes 'female-advantaging' variables Removes need to distinguish between rewards and endowments Pre-market labour discrimination addressed by giving women 'best average situation among men'	Measurement error associated with variables Omitted variable bias Removing factors considered 'controls' or not of policy relevance
Oaxaca-Blinder decomposition technique	Can calculate and quantify separate effects of endowments and prices Can measure separate coefficients for men and women for each endowment	Unsatisfactory choice of a true non-discriminatory wage structure Feedback effects mean that discrimination is underestimated Women and men cannot be compared directly due to separate wage estimations Challenging to separate discrimination from other factors
Juhn-Murphy-Pierce decomposition	Enables estimates of wage gaps over time and between countries Can decompose changes in the residual into price and quantity effects, allowing consideration of the relative importance of gender specific factors and wage structures Minimises problems of sample selection bias	Assumptions about distribution of men's wage residuals and that similar factors raise wage inequality of men and women may not hold Complex to interpret the impact of discrimination on wage gaps

Source: Cassells, R. et al, The impact of a sustained gender wage gap on the Australian economy, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs, accessed 8 October 2025

Estimation approach

Overview

The Walby and Olsen approach is applied through three steps; these are summarised in Table 10.

Table 10: Walby and Olsen approach

STEP	DESCRIPTION
Likelihood of being in the labour force	The first step involves modelling the probability of selection into the labour force, based on a range of potential explanatory variables.
Factors affecting hourly wages	The second step involves estimating the factors that affect the hourly wages earned by a person in the workforce. Several potential explanatory variables are included. Further, this analysis controls for approximately 40 variables, including (but not limited to) parental status, industry and educational attainment.
Decomposition of the gender pay gap	The third step has been evolved for the 2026 Report. To increase robustness of results, an independent lognormal regression is used to estimate the influence of explanatory variables on hourly wages. Then, the decomposition is applied in line with the 2022 Report, using the methodology established by Walby and Olsen (2002) to break down the contributors of the gender wage gap and estimate the gross effect of each underlying factor on the wage gap. This makes it possible to estimate the change in earnings that would occur 'if women's conditions changed to reflect the best or the average situation among men' (Olsen and Walby 2004, p. 66).

Further discussion of the technical approach and variables tested is available in Appendix C.

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Approach enhancements

The literature includes several different sets of variables used across different analytical approaches to understand the gender pay gap.[106] Several enhancements have been made to the previous methodology used in the 2009, 2016, 2019 and 2022 reports to ensure trends in the underlying data are comprehensively reflected.

The sections below confirm the variables tested in the analysis, based on the data available.

Variables tested in the driver analysis

Consistent with the 2009, 2016, 2019 and 2022 reports, the following variables were assessed and included in this 2026 analysis based on a literature review, considering policy relevance, and methodological suitability for inclusion in the analysis. Variables assessed and selected were adjusted to remove COVID-19 pandemic variables (compulsory paid leave, cut in rate of pay, loss of work, ability to work from home, JobKeeper support and increase in income), focusing the analysis on long-term trends.

106 Cassells, R. et al., The impact of a sustained gender wage gap on the Australian economy, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs, accessed 8 October 2025

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Table 11: Variables tested in the 2026 report

VARIABLES TESTED TO ESTIMATE EMPLOYMENT LIKELIHOOD	VARIABLES TESTED TO ESTIMATE WAGES
– Gender	– Gender
– Age	– Age
– Age squared[107]	– Age squared[109]
– Highest education level achieved including tertiary	– Highest education level achieved including tertiary
– Highest non-tertiary education achieved	– Highest non-tertiary education achieved
– Marital status	– Marital status
– Number of 0–4-year-old children in the household	– Number of 0–4-year-old children in the household
– Number of 5–9-year-old children in the household	– Number of 5–9-year-old children in the household
– Number of 10–14-year-old children in the household	– Number of 10–14-year-old children in the household
– Country of birth	– Years of work experience
– Whether the respondent has a long-term health condition	– Years of work experience squared[110]
– Whether the respondent has poor health	– Whether employed on a casual basis
– Percent of time spent in full-time education last financial year	– Whether employed part-time
– Percent of time spent in part-time education last financial year	– Tenure with current employer in years
– Number of years since left full-time education	– Usual hours of work in all jobs per week
– Years of work experience	– Total time not in the labour force
– Years of work experience squared[108]	– Total time unemployed
– HILDA weighting	– Entitlement to paid maternity/paternity leave
	– Employer type (government vs private)
	– Whether part of a union
	– Size of industry
	– Satisfaction with flexibility of work arrangements
	– Industry
	– Industry segregation index
	– Occupation
	– Occupation segregation index
	– Hours of on-the-job training received last year
	– Whether promoted at work last year
	– Hours of housework performed per week
	– Inverse Mills Ratio derived from the employment equation[111]
	– HILDA weighting

In the 2022 report, COVID-19 variables were investigated for statistical significance and contribution to the wage gap. As was noted in the 2022 report, Wave 20 of the HILDA dataset measures to August 2020, and therefore does not reflect the full extent of the impacts of the COVID-19 pandemic, including those experienced beyond August 2020. As such, reported drivers of the wage gap from the 2022 report in Section 4 may not capture the full impact of COVID-19 variables on the wage gap.

107 Age squared and years of work experience squared are included as variables to capture potential non-linear effects of age and experience on employment likelihood and income. While age and experience may initially increase the probability of employment (e.g. as experience accumulates), this effect may diminish or reverse at older ages. Including both age and age squared, and both years of work experience and years of work experience squared allows the model to reflect this curved relationship more accurately.

108 ibid.

109 ibid.

110 ibid.

111 The Inverse Mills Ratio (IMR) is used to correct for potential selection bias by accounting for the likelihood of employment in the income regression calculation. Inclusion minimises model bias linked to self-selection into or out of the workforce. For full details, see Appendix C: Detailed Approach.

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Sub-population driver analysis

Previous iterations of this report examined the impact of industry and occupational segregation at a high-level, but not the drivers of gender pay gaps within industries and occupations themselves. To understand how drivers of the gender pay gap fluctuate both across and within industries, the same modelling that is applied at the national level was considered for the following eight industries based on HILDA sample size: Healthcare and Social Assistance, Education and Training, Construction, Retail Trade, Professional, Scientific and Technical Services, Manufacturing, Public Administration and Safety and Accommodation and Food Services. Likewise, a similar methodology was considered for analysis of the gender pay gap by country of birth and first language. However, the HILDA data was found to be insufficient for this level of analysis. Limitations of the HILDA data for conducting this intersectionality analysis included insufficient granularity in industry and occupational definitions, as well as limited sample sizes for many industries, occupations, country of birth subsets, and first language classifications. These limitations meant that sub-population models were not able to appropriately capture trends within the sub-population or accurately determine the contribution of particular drivers to the sub-population gender pay gaps. For five selected industries (as per the 2022 report, Healthcare and Social Assistance, Education and Training, Retail Trade, Manufacturing, and Accommodation and Food Services), WGEA data is used where possible to supplement this analysis and understand how intra-industry dynamics may be contributing to the gender pay gap.

Availability of WGEA employer data

WGEA Workplace Profile (WPP) and Workforce Management Statistics (WMS) data from 2014 to 2024 is used to supplement the findings of this analysis, particularly in relation to workforce dynamics at the industry level. The data provides insight into the opportunities women are receiving within the workplace through promotions and appointments, as well as their level of representation across management positions. Although the data is limited to employers in the private sector with 100 or more employees, the granularity of this data provides a deeper insight into how industries are performing in comparison to one another when it comes to advancing gender equity within the workplace.

Enhancements to decomposition analysis

The decomposition analysis was refined to provide clearer insights into the drivers of income differences. The final stage of decomposition was restructured as an independent regression, better identifying the impact of selected regressor variables. However, this results in fewer control variables, resulting in each included variable (particularly broad variables, such as gender) accounting for the variance in income from linked variables that are not controlled. As discussed below, this means individual isolation of the influence of gender discrimination is no longer possible, but with greater accuracy and attribution for additional gender influences on income.

In addition, several variable updates were introduced to improve model accuracy. Age is now modelled in two linear phases, capturing the typical trajectory of rising income until age 50, followed by a gradual decline. Variables relating to tenure, housework, and part-time employment were excluded from the model. These variables were found to have ambiguous influences on income and to be highly correlated with other control variables, which obscured the true effect. Occupation was also removed due to its strong relationship with industry. Most significantly, industry classifications were refined by categorising industries as men-dominated (more than 60% men) or women-dominated (more than 60% women). This adjustment allows the model to better isolate the influence of gender concentration within industries on income differences and removes the assumption of a linear relationship between income and proportion of men in an industry.

Data sources used in this report

This report draws on a wide range of data sources to inform the analysis of the gender pay gap. Table 12: She's Price(d)less gender pay gap report data sources outlines the data sources used to inform specific findings and analysis in this report. It is also intended to enable the easy comparison of the findings of this report and datasets to other reports, literature, and publications on the gender pay gap.

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Table 12: She's Price(d)less gender pay gap report data sources

DATA SOURCE	ORGANISATION	DATE	DESCRIPTION OF USE
Average Weekly Earnings, Australia	**ABS**	**May 2025**	– Weekly pay gap (Section 2) – Industry analysis (Section 5, Appendix B) – When might Australia eliminate the gap? (Section 8)
HILDA Waves 2-23 (Release 20 & 23)	**Melbourne Institute** **Australian Government Department of Social Services**	**August 2020** **August 2023**	– Australia's hourly gender pay gap (Executive summary) – Industry by industry story (Executive summary) – Hourly pay gap (Section 2) – Drivers of the gender pay gap (Section 4) – Industry analysis (Section 5, Appendix B) – Pay gap across income levels (Section 6) – Trends in drivers of the gender pay gap (Appendix A) – Exploratory analysis of intersecting diversity dimensions (Section 7)
Labour Force, Australia	**ABS**	**2025**	– Trends in women's economic participation (Section 2) – Driver analysis (Section 4)
Labour Force, Australia, Detailed	**ABS**	**2022** **2024**	– Industry analysis (Section 5) – Industry analysis (Appendix B) – Trends in drivers of the gender pay gap (Appendix A)
Characteristics of Employment	**ABS**	**2020** **2024**	– Industry analysis (Section 5) – Industry analysis (Appendix B) – Trends in drivers of the gender pay gap (Appendix A)
Australian System of National Accounts: Gross Value Add	**ABS**	**2020** **2024**	– Industry analysis (Section 5) – Industry analysis (Appendix B)
Workplace Composition and Movements Statistics	**WGEA**	**2021** **2024**	– Industry by industry story (Executive Summary) – Industry analysis (Section 5, Appendix B)
Data explorer	**WGEA**	**2024**	– Pay gap across income levels (Section 6) – Trends in drivers of the gender pay gap (Appendix A)
Gender Indicators, Education – Attainment	**ABS**	**2020** **2024**	– Trends in drivers of the gender pay gap (Appendix A)
Census of Population and Housing	**ABS**	**2016** **2021**	– Exploratory analysis of intersecting diversity dimensions (Section 7) – Trends in drivers of the gender pay gap (Appendix A)
Work-Related Training and Adult Learning, Australia	**ABS**	**2020–21**	– Labour market characteristics (Appendix A)
Personal income in Australia, by sex, visa category and applicant status	**ABS**	**2020–21**	– Exploratory analysis of intersecting diversity dimensions (Section 7)

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Summary of limitations

The key limitations identified in undertaking this work are described below.

Point-in-time analysis

The modelling approach provides a point-in-time analysis of the gender pay gap. While there are acknowledged limitations to the approach, it represents one contribution to the evidence base around the issue of pay equity. For a more complete picture of the links between gender and pay, results should be considered alongside other analytical approaches.

Sampling approach

The analysis within this report is based on the sample of respondents included within the HILDA survey. The sample of respondents to the HILDA survey is expanded with each consecutive wave of the survey through both exits and entries from the underlying sample of respondents. The HILDA user manual[112] was used to apply appropriate weightings to control and adjust, to the extent permissible, for these sampling issues and to provide estimates for the Australian population.

Measurement error

Any analysis that draws on survey data will be impacted by measurement error because respondents may not respond accurately to questions or there may be errors in how those open-ended responses are coded. However, Uhrig and Watson (2014) analysed five waves of both the British Household Panel Survey and the HILDA survey and found that the effect of measurement error, where it could be corrected, on the comparison of men's and women's wages was small.[113]

Decomposition method

The data and methodology used for the decomposition analysis impacts the results, and different methodologies have their own strengths and weaknesses.[114] HILDA is the most appropriate data source for an Australian setting due to the availability of extensive unit-level control variable data. This decomposition analysis is undertaken with the Walby and Olsen (2002) methodology, which is an established approach for the Australian context.[115] A key feature of this approach is its ability to highlight variables with 'practical policy relevance to reduce gender wage gaps' while controlling for a range of irrelevant variables that impact wages but not gender.[116] The analysis attempts to capture the statistical association between the gender pay gap and key explanatory variables modelled, but this cannot be definitively attributed and needs to be considered in the broader context of available evidence and key developments. In this wave, the method has been refined with the final decomposition estimated through an independent regression to provide clearer identification of individual variable effects.

The core list of variables considered for decomposition was based on prior research cited in the 2009, 2016, 2019 and 2022 reports. However, adjustments to the list have been made to improve model efficiency and variable isolation. Age is modelled in two phases, reflecting income growth up to around age 50 followed by decline. Tenure, housework and part-time employment variables have been omitted due to their ambiguous influence on income and high correlation with other controls. Occupation has also been excluded because of its strong overlap with industry. Finally, industry is now modelled using men and women-dominated industries, removing assumptions around a linear relationship between income and proportion of males in an industry, while more effectively exploring gender-dominated industry dynamics.

In comparison to the 2022 Report, the final decomposition has been updated to use an independent regression including only the variables for the final decomposition. This allows clearer attribution of the influence of variables on income and the gender pay gap, although requires more rigorous understanding of the included influence in each variable (particularly gender-related income variance, which is no longer isolated to gender discrimination but includes additional gender-linked variance in income).

112 Summerfield, M. et al., HILDA User Manual – Release 20, Melbourne Institute, Applied Economic & Social Research, accessed 8 October 2025

113 Uhrig, SCN., and Watson, N., The impact of measurement error on wage decompositions: evidence from the British Household Panel Survey and the Household Income and Labour Dynamics in Australia Survey, University of Essex, Institute for Social and Economic Research (ISER): Colchester, ISER Working Paper Series, No. 2014-24, accessed 8 October 2025

114 Cassells, R. et al., The impact of a sustained gender wage gap on the Australian economy, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs, accessed 8 October 2025

115 ibid.

116 ibid.

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Use of HILDA and WGEA gender equality datasets

For many of the issues and factors considered in this report and the underlying analysis, multiple measures are available across various datasets. Invariably, these sources can yield varying figures and results due to differences in methodologies (such as census data compared with surveys and other sampling approaches), quality and robustness of responses, and granularity.

For the purposes of consistency and availability of the breadth of indicators required to be tested within the analysis of the gender pay gap, the HILDA survey dataset was adopted as the primary input to the analysis. As a panel survey, HILDA tracks the same people over time, and provides key information about incomes, labour dynamics and family life. In addition, the WGEA Gender Equality data collection also provides detailed information that is used to understand gender dynamics across industries such as industrial and occupational segregation.

HILDA collects information about the industry and occupation of employment by asking respondents to provide their current main job. This response is then coded by HILDA surveyors to the Australian and New Zealand Standard Classification of Occupations (ANZSCO) and Australian and New Zealand Standard Industry Classification (ANZSIC).[117] However, there were some acknowledged data quality issues associated with the coding of these variables.[118] and the use of ANZSCO and ANZSIC categorisations can limit analysis at the industry level, due to a lack of granularity in industry and occupational definitions.

The Occupation Standard Classification for Australia (OSCA) classification framework for occupations was introduced in late 2024 to replace ANZSCO classifications. HILDA data used in this report (wave 23) applies the previous ANZSCO classifications. As such, analysis is conducted at an ANZSCO classification level; however, future iterations of reporting will explore using OSCA classifications pending data availability.

Despite these limitations, industrial and occupational data from HILDA is widely used in academic research, including papers specifically examining gender pay gaps and remains a valid and important data source for this type of decomposition[119,120] For the purpose of this report, WGEA Gender Equality data is used to supplement the findings of the HILDA data, particularly at the industry level.

The WGEA Gender Equality data includes data collected from all private sector employers with 100 or more employees annually from 2013–14. This captures approximately 40% of all employees in Australia. The WGEA Gender Equality data does not include small private sector employers with fewer than 100 employed persons. While the WGEA Gender Equality data now includes Commonwealth public sector organisations with 100 or more employees, public sector organisations have not been included in the analysis of this report.

While the WGEA Gender Equality data collection is not used in the main statistical analysis due to data scope reasons, it is drawn on in preparing the analysis and presented alongside the analytical results. Importantly, the WGEA and HILDA data (as well as other sources such as ABS), all show that gender pay gaps persist in Australia and that gender segregation is persistent across industries and occupations.

Impacts of other factors

There is a significant body of research on the financial differences between men and women such as the wealth gap, differences in lifetime earnings, and superannuation. These issues are outside the scope of this report.

It is recognised that gender does not only exist in binary categories and there are people whose experiences and identities cannot be captured by binary language. However, the datasets that are used only report gender data in a binary way.

117 Summerfield, M., et al., HILDA User Manual – Release 17, Melbourne Institute, Applied Economic & Social Research, accessed 8 October 2025

118 Watson, N., and Summerfield, M., Quality of the Occupation and Industry Coding in the HILDA Survey, HILDA Project Discussion Paper Series. 3/09, accessed 8 October 2025

119 Cassells, R. et al., The impact of a sustained gender wage gap on the Australian economy, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs, accessed 8 October 2025

120 Watson, I., Decomposing the Gender Pay Gap in the Australian Managerial Labour Market, Australian Journal of Labour Economics, 13(1), pp. 47-79, accessed 8 October 2025

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04

Drivers of the gender pay gap

This section discusses the identified drivers of the hourly gender pay gap in Australia.

Results summary

Australia's hourly gender pay gap can be explained by two key drivers: type of job and care, family and workforce participation. The remainder of the adverse influences on the gender pay gap can be attributed to additional gender influences that are more difficult to statistically control for. One influence that positively affects the gender pay gap in favour of women is the level of educational attainment. Working in the government or NGO sectors also contributes to reducing the pay gap. Overall, the HILDA hourly pay gap between men and women has increased from 6.5% in 2020 to 7.3% in 2023, equating to, on average, a $0.26 hourly increase in the gap between men and women's earnings.[121]

	MEN	WOMEN	GAP	
2023	$45.57	$42.26	$3.31	7.3%
2020	$47.05	$44.00	$3.05	6.5%

Chart 4 below depicts the composition of the gender pay gap by driver. It is important to note that a decrease in the contribution of one driver to the gender pay gap suggests that the factor's significance in driving differences in pay has only reduced relative to other factors. It does not necessarily indicate that dynamics have 'improved' in that area.

121 This is a deviation from the recent historical trend, with the hourly gender pay gap exceeding 7% for the first time since 2016. The hourly gender pay gap results calculated by the Australian Bureau of Statistics (ABS), using alternate datasets, indicate that the hourly gender pay gap is slowly decreasing. With this in mind, and noting the limitations of the data analysis in this report, there is potential that the hourly gender pay gap derived from the 2023 HILDA dataset may be an outlier in a longer-term trend of a stable and slightly declining pay gap in Australia.

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Chart 4: Composition of the gender pay gap

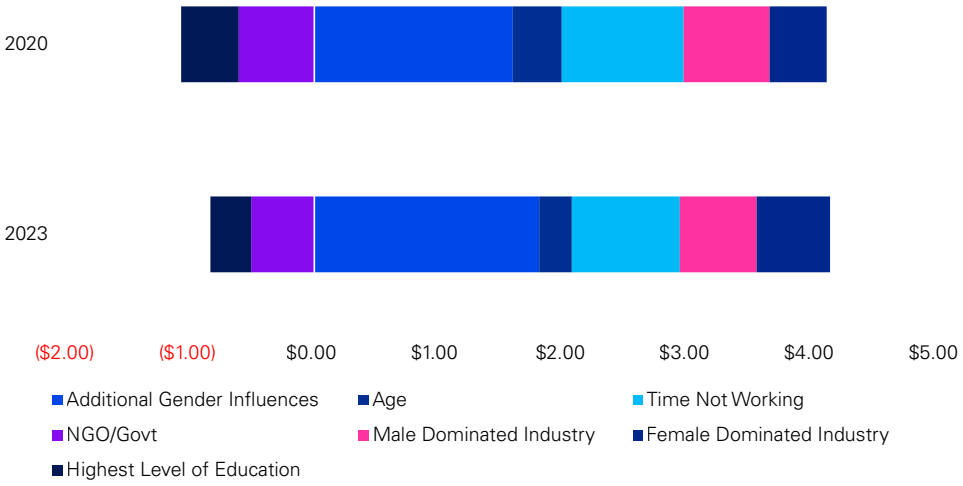

Table 13 shows the proportion of the gender pay gap that is explained by specific influences. The contribution of care, family and workforce participation, particularly in years not working due to interruptions, to the gender pay gap decreased by 6 percentage points relative to 2020, to 26% in 2023. The influence of age has also decreased by 5 percentage points since 2020, to 8% in 2023. Both level of educational attainment and working in government or NGOs are drivers that contribute positively to women's earnings and are associated with reducing the gender pay gap. However, the proportions of the gender pay gap that each of these drivers explain has decreased by 5 percentage points since 2020. It should be noted that for all contributors, the ability to attribute contributions to specific drivers is limited by the granularity in HILDA data. The remaining portion of the gender pay gap, (i.e. influences that are difficult to control for statistically) accounts for the largest contribution (55% of the total gap), with a slight increase in this contribution (by 3 percentage points) since 2020.

Table 13: Relative contribution of selected factors to the 2020 and 2023 Australian gender pay gap

		CONTRIBUTION			DOLLAR-EQUIVALENT		
		2020 (WAVE 20)	2023 (WAVE 23)	CHANGE	2020 (WAVE 20)	2023 (WAVE 23)	CHANGE
Care, family and workforce participation	Years not working due to interruptions	32%	26%	-6%	$0.98	$0.87	-$0.11
Type of job	Men-dominated industries	23%	19%	-4%	$0.69	$0.62	-$0.07
	Women-dominated industries	15%	18%	+3%	$0.46	$0.59	+$0.13
Education	Level of educational attainment	-15%	-10%	-5%	-$0.46	-$0.33	+$0.13
Other Factors	Age (years)	13%	8%	-5%	$0.40	$0.26	-$0.14
	Working in Government or NGO	-20%	-15%	-5%	-$0.61	-$0.51	+$0.10
Additional gender Influences	Additional gender influences (including discrimination)	52%	55%	+3%	$1.60	$1.81	+$0.21
	Total	100%	100%	NA	$3.05	$3.31	+$0.26

Note: Results may add to more than 100% of the total due to rounding. The total gender pay gap is derived from the difference between the average hourly wage for men and women wage earnings, with the decomposition undertaken for selected variables only. In line with the 2022 report, 2020 results have been sourced from Release 20 data and may vary slightly from Release 23 data due to imputations and corrections made by HILDA over time. 2020 results vary from the corresponding results in the 2022 report due to refinement of the relative contribution calculation.

Source: KPMG analysis of the Household, Income and Labour Dynamics in Australia Survey, Release 20 and 23, Wave 20 and 23 (HILDA Survey)

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The following subsections discuss each driver in more detail.

Care, family and workforce participation

Years not working due to interruptions

While the total proportion of the gender pay gap attributable to career interruptions decreased by 6 percentage points between 2020 and 2023, career interruptions remain the highest identifiable driver of the gender pay gap in Australia at 26%. Career interruptions have a substantial impact on pay and future career trajectories. There is a widely held perception that taking time out of the workforce results in depreciated skills and missed opportunities for upskilling and professional development. This can lead to individuals re-entering the workforce in lower-status or lower-paid roles.

While there are numerous reasons for career interruptions, including career breaks, study and unemployment, caring for young children or other family members is a common reason for taking time away from paid work or the labour force, particularly for women. This is supported by national data showing that women are significantly more likely to take on unpaid care responsibilities, including for children, elderly parents, and people with disability. In Australia as at 2021, 54% of families reported that a woman was the main person caring for children, compared to just 4% for men, women were twice as likely to receive the Carer Payment, and women filled 67% of part-time positions.[122,123] These trends reflect deeply embedded gender norms that continue to shape women's workforce participation. The incidence of career interruptions owing to care for children or family members is highly gendered. The divergence in earnings following entry into parenthood is well-documented and widely recognised as the 'motherhood pay gap' or 'motherhood penalty'.[124] This refers to the gap in earnings experienced by mothers relative to non-mothers in the workforce due to taking time off to care for young children. A 2023 working paper by the Commonwealth Treasury found that women's earnings fall an average of 55% in the first five years after entry into parenthood, while men's earnings remain unchanged on average.[125] This is because women often take more time out of the workforce than men for childbirth, recovery and caregiving due to a combination of personal preference, societal norms, financial considerations, and the design of parental leave policies. In Australia, parental leave schemes have historically positioned mothers as primary carers, with shorter leave provisions for fathers or partners, reinforcing gendered caregiving roles and contributing to unequal workforce participation.[126,127]

As outlined earlier in this report, many organisations are moving towards gender neutral parental leave policies that offer universal parental leave, with the purpose of giving both women and men more choice in balancing their paid and unpaid caring responsibilities. WGEA data indicates that 18.3% of private sector employers are currently offering universal parental leave. The Commonwealth public sector is in the process of implementing universal parental leave. More equal distribution of part-time work, job sharing arrangements, and availability and uptake of employer-paid parental leave contributes to the breaking down of biases that may associate men with the workforce and women with domestic care.

Under schemes that distinguish between primary and secondary carers, women remain more likely to take up the role as primary care giver, with men accounting for just 17% of all primary carer leave taken.[128] The allocation of primary and secondary carer roles between parents can be influenced by social expectations around caregiving but are also shaped by systemic practicalities such as each parent's access to paid leave. In addition, couples may be forced to make constrained choices about intrahousehold allocations of work and care that are based on the relative earnings and financial optimality of each partner. This results in the lower income-earning partner taking time out of the labour force to care for children, which can subject them to discriminatory perceptions from employers as being less committed to their career.

122 Department of the Prime Minister and Cabinet, National Strategy to Achieve Gender Equality | Discussion Paper, accessed 22 July 2025
123 Chief Executive Women, and Bain & Company, Equitable Flexibility: Reshaping Our Workforce, accessed 25 September 2025
124 Australian Government | The Treasury, Children and the Gender Earnings Gap: Evidence for Australia, p.4, accessed 10 July 2025
125 ibid.
126 Australian Human Rights Commission, Guidelines for Complying with the Positive Duty under the Sex Discrimination Act 1984 (Cth), accessed 22 July 2025
127 Australian Human Rights Commission, Supporting working parents: a toolkit for employers, accessed 22 July 2025
128 WGEA, Parental leave, accessed July 11 2025

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The effects of taking time out of the workforce to care for children and other family members can increase over time, becoming further entrenched and resulting in women having less pay and less opportunities for promotions and management positions.

Government and industry initiatives to support paid parental leave are explored earlier in the report in **Section 2: Policy direction** and **Section 2: Advances in parental leave policies**. Additional trends and impacts surrounding impacts to women's economic participation are explored in **Appendix A: Unpaid care and work** and **Part-time employment**.

Type of job

Men- and women-dominated industries

Type of job refers to the unequal distribution of women and men in certain industries, now classified using men-dominated and women-dominated industries. There are high levels of industry-based gender-segregation in the Australian labour market.[129,130] This unequal distribution can be seen in the high number of women in Healthcare and Social Assistance, a women-dominated industry, relative to the low number of women in Mining, a men-dominated industry. In both 2020 and 2023, gender segregation between sectors predominantly held by men and those predominantly held by women accounted for 37% of the gender pay gap, demonstrating the persistent impact of industrial segregation over time. In the latest version of the decomposition analysis, occupation was removed due to the strong relationship between industry and occupation. However, there is still a strong correlation between occupation and pay. Examples of men-dominated occupations can be seen in the under-representation of women in high paying roles, such as management roles and chief executives, and in the over-representation of women in low paying roles, such as personal care workers, a women-dominated occupation.

Between 2020 and 2023, there has been a 4-percentage point decrease in the contribution of men-dominated industries, which explains 19% of the gender pay gap. However, there has been a relative increase in the impact of women-dominated industries from explaining 15% of the gap in 2020, to 18% in 2023. Industry data suggests that there are a range of trends occurring in labour force participation, promotions and representation in management positions which are likely to be impacting these drivers. As outlined in **Section 3**, there are some limitations to the male and women-dominated industries data derived from the HILDA dataset, including sample sizing and the granularity of ANZSIC and ANZSCO classifications.

The Australian labour market has high levels of 'vertical segregation', that is the imbalance between men and women at level. It is especially pronounced in leadership categories. In 2024, although women accounted for 42.2% of all levels of managers in Australia, less than one in four CEOs or HOBs were women, reflecting a men-dominated field.[131] The gender pay gap also remains pervasive at senior leadership levels. The CEO/HOB gender pay gap currently sits at 27.1%; 5.3 percentage points higher than WGEA's national gender pay gap for the private sector, and the largest of all manager categories.[132]

The concentration of women in certain industries is a product of a broader, gendered system of discrimination, given that pay inequality between women-dominated and men-dominated industries is not only a result of individual cases of pay disparity, but is also impacted by the historic and persistent undervaluing of work that is typically associated with women. Data shows that industries, occupations and enterprises that are dominated by women often attract lower wages, suggesting an undervaluation of women's work. A recent review by the Fair Work Commission of five priority awards in traditionally women-dominated industries found that the value of work in these industries has been impacted by gender-based undervaluation.[133]

129 Cortis, N. et al., Gender-based Occupational Segregation: A National Data Profile, UNSW Social Policy Research Centre, Prepared for the Fair Work Commission, accessed 11 July 2025
130 CEDA, Occupational Gender Segregation 2023, accessed 11 July 2025
131 WGEA, Australia's Gender Equality Scorecard: Key results from the Workplace Gender Equality Agency's Employer Census 2023-24, accessed 7 July 2025
132 ibid.
133 Fair Work Commission, Gender-based undervaluation – priority awards review [2025] FWCFB 74 (16 April 2025), accessed 17 June 2025

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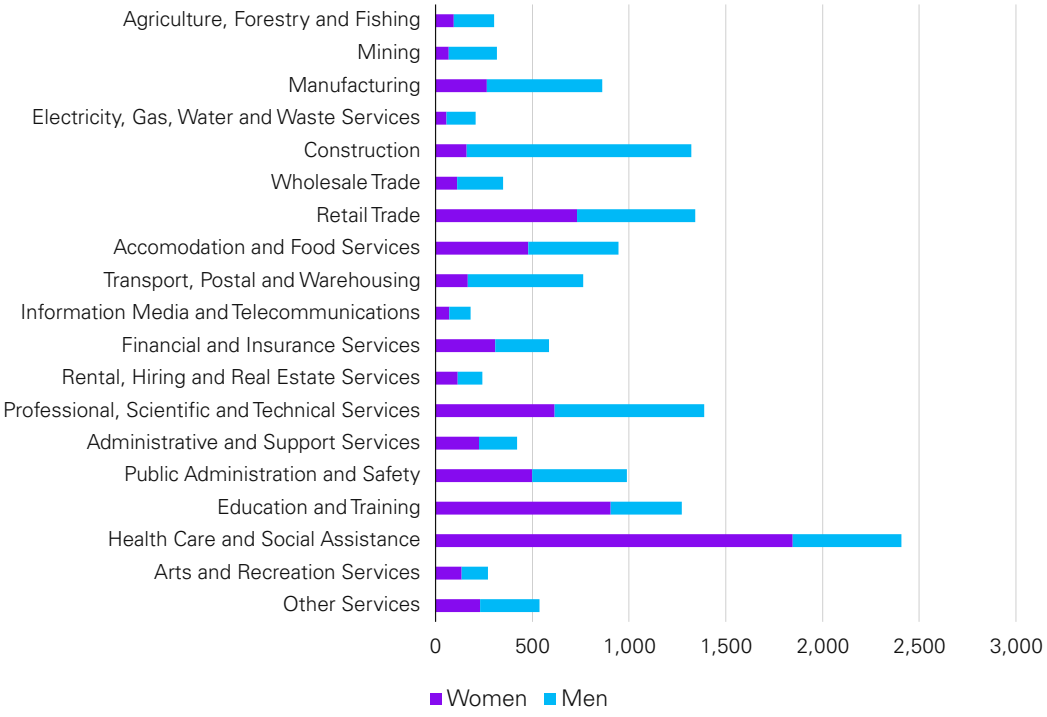
Lower wages in women-dominated industries reduces incentives for men to engage in such roles and inadvertently restricts women from higher earnings. As recommended by the Women's Economic Equality Taskforce, it is vital that the status of care work is elevated so that employees can be adequately compensated.[134] This involves the full implementation of the National Care and Support Economy Strategy and the development of policies that lift wages, work security, access to professional development opportunities and pathways for career progression. In addition to a direct wage penalty, women-dominated industries also have higher rates of part-time and casual employees.[135] In combination, these factors contribute to the wage gap at both an hourly and weekly level. **Section 5: Industry analysis** provides further insight around characteristics of the gender pay gap at the industry level.

A further breakdown of men-dominated and women-dominated industries can be seen below in Chart 5 and is further explored in **Appendix A: Type of job**.

Chart 5: Number of persons employed by ANZSIC division ('000), May 2025



Source: ABS, Labour Force, Australia, Detailed, May 2025, Table 6: Employed persons by Industry sub-division of main job (ANZSIC) and Sex accessed 8 October 2025

Education

Level of educational attainment

At a national level, women have a higher average level of educational attainment than men. While 65.5% of Australian women have a non-school qualification (per Chart 6), only 63.2% of Australian men have a non-school qualification (per Chart 7). Because of this discrepancy, analysis of data in this report would suggest that in aggregate, the level of educational attainment contributes to the narrowing of the gender pay gap in Australia. However, an examination of Chart 8, which demonstrates the hourly earnings of men and women with comparable levels of educational attainment, reveals that at all education levels, the gender pay gap persists.

134 Women's Economic Equality Taskforce, A 10-year Plan to Unleash the Full Capacity and Contribution of Women to the Australian Economy, accessed 22 August 2025

135 WGEA, Australia's Gender Equality Scorecard: Key results from the Workplace Gender Equality Agency's Employer Census 2023-24, accessed 7 July 2025

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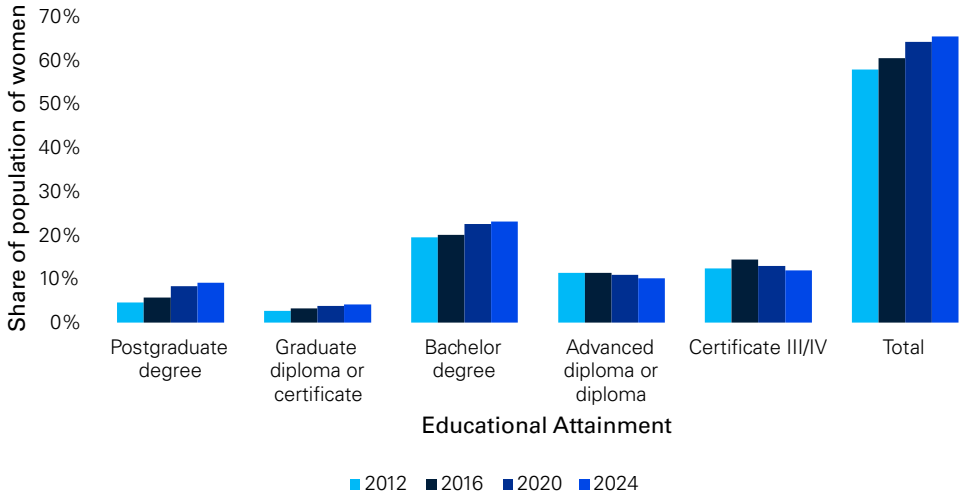
The proportion of the hourly gender pay gap that is explained by level of educational attainment has decreased from accounting for 15% of the gender pay gap in 2020 to 10% in 2023. In both years, due to the over-representation of women in most non-school qualifications, the overall contribution of educational attainment to the gender pay gap is negative (i.e. education attainment reduces the gap), from a whole-of-population view. At face value, this reflects the theory of human capital investment, where earning potential can be increased through investments in an individual's education and skills. Government initiatives to support women's education and workforce participation are outlined in **Section 2: Policy direction**.

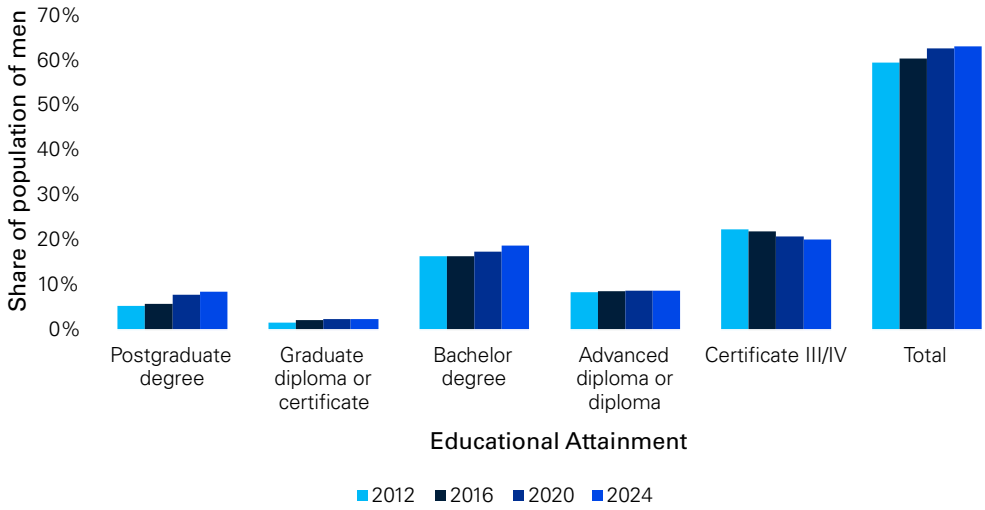
Population-wide levels of education have increased between 2012 and 2024, with women representing a higher share of educational attainment across all categories except Certificate III/IV qualifications. For men and women aged between 15–64 years, the proportion of the population holding non-school level qualifications has increased from 58.8% in 2012 to 64.4% in 2024.[136] Further, the gap in favour of men's educational attainment has been eliminated over this period, with the proportion of women with a non-school qualification now exceeding the proportion of men by 2.3 percentage points.[137]

Chart 6: Share of women with non-school qualifications



Source: ABS (2020), Gender Indicators, Education – Attainment, Table 4.7; ABS (2024), Education and Work, Australia, Table 21, Table 26

Chart 7: Share of men with non-school qualifications



Source: ABS (2020), Gender Indicators, Education – Attainment, Table 4.7; ABS (2024), Education and Work, Australia, Table 21, Table 26

136 ABS, Education and Work, Australia, May 2023, Table 26: Non-school qualifications; ABS, Education and Work, Australia, May 2024, Table 26: With a non-school qualification, accessed 8 October 2025

137 ibid.

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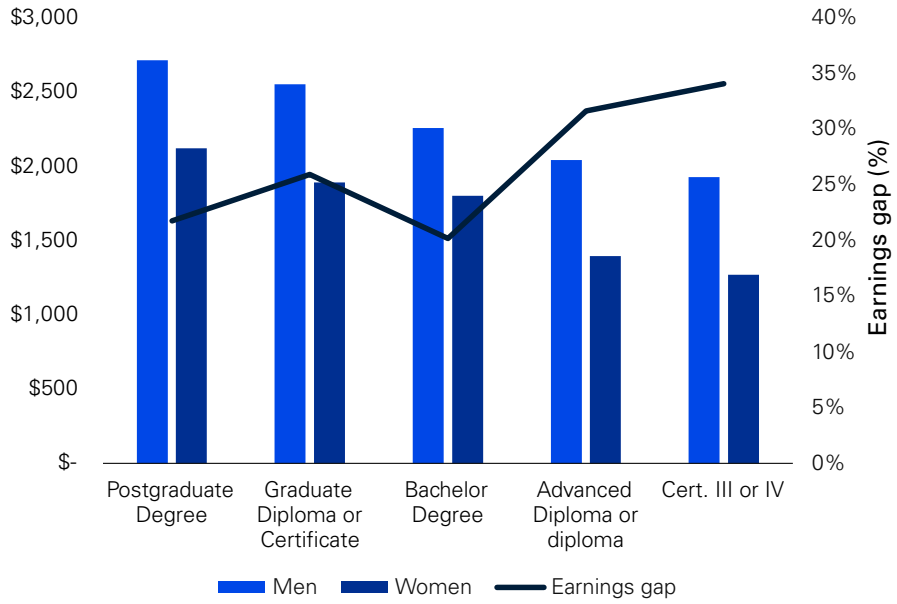
The increase in women's participation in higher education has not eliminated the pay gap between men and women of comparable education levels. Within the same category of highest level of qualification, men's hourly earnings are consistently higher. Analysis of the income earned by full-time and part-time men and women employees with different educational qualifications (without controlling for other differences) suggests that at all education levels, women earn less income than men on average. The chart below shows that there is a significant gap in average weekly income levels between men and women across all levels of educational attainment, with the percentage difference in weekly income being greatest for women with a Certificate III or IV as their highest level of education attainment.

Chart 8: Average individual weekly income for women and men in the workforce, by educational attainment (2024)



Source: ABS (2024), Characteristics of Employment – Employee Earnings, August 2024, Australia

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The persistence of the gender pay gap despite women's increased educational attainment can be explained by the identified drivers of care, family and workforce participation, as well as the unknown influences that we know exist, but which are harder to isolate and identify in the data. Gendered social penalties, performance biases and assumptions around care pose barriers to women attaining more senior roles and higher earnings, regardless of their education level.

Beyond vertical segregation, the differences in hourly pay across men-dominated and women-dominated industries also persist despite high levels of educational attainment for women. Though women's university enrolments have increased, research suggests that women and men diverge in their academic pathways across patterns that reflect women-dominated and men-dominated industries.[138] This gender segregation in patterns of study is impacted by ingrained gendered norms and stereotypes that characterise types of jobs. Thus women are still impacted by the earnings disparities that arise due to their type of job as a driver.[139] This was reinforced by the Women's Economic Equality Taskforce in 2023, which reiterated that the lower average wages of women-dominated industries (compared to men-dominated industries) exist regardless of individuals educational attainment and represent a significant explanation of why the pay gap persists.[140] Therefore, while education can have positive returns to earnings, increasing levels of attainment alone, without addressing systematic discrimination and structural biases in the workforce will not eliminate the gender pay gap.

Other factors

Age

The proportion of the hourly gender pay gap explained by age has decreased from 13% in 2020 to 8% in 2023.

WGEA's data on Australian private sector employers with 100 or more employees, presented in their annual scorecard for 2023–2024, shows:

- approximately equal numbers of employed persons in each age cohort
- gender pay gaps in favour of men for all age cohorts except the first (15–19 years)
- that these gaps generally increase with age, starting at 2.6% for employed persons aged 20–24 years, peaking at 32.6% for employed persons aged 55–59 years.[141]

The increasing gap reflects the cumulative impacts of age discrimination and gender discrimination around factors such as career interruptions, part-time work, and progression into leadership roles for women.

The scorecard also highlights trends in the proportion of casual, part-time and full-time employment. For the age cohorts from 30–34 to 50–54 the proportion of women employees who are full-time is constant at just over 50%, while for men this proportion increases from 70 to 83%.[142] These patterns are shaped by the unequal distribution of unpaid care responsibilities and limited access to flexible, high-quality roles. Additionally, employer biases against older workers, particularly women, can further restrict opportunities for advancement.[143] Addressing the gender pay gap across age groups requires targeted interventions that support career continuity, flexible leadership pathways, and inclusive hiring practices for older women.

Working in government or NGO sectors

In 2020, working in government or the NGO sector was associated with a significant positive contribution to women's earnings, with a gender pay gap reduction of 61 cents, or 20% of the total gender pay gap. While this impact has reduced slightly in 2023, this factor continues to have the biggest impact on minimising the gender pay gap, accounting for a decrease in the gender pay gap of 51 cents, or 15% of the total gender pay gap.

138 WGEA, Higher education enrolments and graduate labour market statistics, accessed 22 August 2025
139 ibid.
140 Women's Economic Equality Taskforce, A 10-year plan to unleash the full capacity and contribution of women to the Australian economy, accessed 22 August 2025
141 WGEA, Australia's Gender Equality Scorecard: Key results from the Workplace Gender Equality Agency's Employer Census 2023-24, accessed 10 July 2025
142 ibid.
143 WGEA, Age and the Gender Pay Gap, accessed 23 July 2025

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Over the past five years, the care economy, particularly aged care and disability services linked to the National Disability Insurance Scheme (NDIS), have experienced significant growth, contributing to an expansion in NGOs, including an expanding workforce in the charity sector.[144] These roles are often part-time, lower-paid, and women-dominated, which can influence overall pay gap metrics through compositional effects – resultantly, the expansion of this sector may play a role in the decreasing effects of working in government or NGOs on reducing the gender pay gap[145]

In contrast, for individuals working in government, WGEA has found that the Commonwealth public sector had a gender pay gap of 6.4%, compared to a private sector gender pay gap of 21.1% in the same period.[146] A comparatively low gender pay gap is also observed across broader state and territory public sector workforces.[147,148,149] This may suggest that while the working in government is associated with a smaller reduction in the gender pay gap compared to 2020, this ongoing positive effect on women's earnings may be driven by the low gender pay gap observed in the public sector.

Additional gender influences

As outlined in the analysis approach and consistent with the 2009, 2016, 2019, and 2022 reports, the drivers analysis applies the Walby and Olsen technique, which was developed with the underlying rationale of attempting to isolate the impact of gender discrimination, by controlling for as many other known external factors on differences between equivalent male and female employee's pay as is practical within the constraints of available published data.[150] The analysis in this report controlled for a range of factors, namely:

- care, family and workforce participation
- type of job
- education
- age
- working in government or NGO.

As outlined above, these factors account for almost half of the gender pay gap. The remaining 55% of the gender pay gap is linked to factors related to gender that could not be explicitly isolated or controlled for in the analysis. While it is unlikely that gender discrimination accounts for the entirety of this remaining share of the gender pay gap, it has the potential to be a significant contributing factor. This aligns to a considerable body of evidence which highlights the impact of factors associated with gender on wage gaps in Australia and in other high-income economies, as discussed below.

In previous iterations of this report, the decomposition method attributed the influence of gender to discrimination, as a wider range of control variables were included, allowing an assumption that all gender-linked variance was discrimination. The revised specification of the regression model narrows the set of variables to those most directly linked to gender differences in income, excluding those with ambiguous or correlated effects. This approach improves the model and allows for isolation of the gender-linked drivers more clearly. Within this refined framework, discrimination remains a significant contributor, but it is now identified alongside a broader set of gender-linked factors, ensuring a more robust attribution of the gender pay gap.

Three key gender and gender-linked factors are explored below that potentially account for some of the remaining 55% of the gender pay gap. The prevalence of factors associated with gender in driving the gender pay gap, including gender-based undervaluation of work, is also explored in **Appendix A: Gender and gender-linked factors (including discrimination)**.

144 Australian Charities and Not-for-profits Commission, Australian Charities Report – 11th Edition, accessed 26 August 2025
145 Barraket, J. et al., Scaling the Employment Outcomes of Work Integration Social Enterprises: Perspectives from practice experts, University of Melbourne, accessed 23 July 2025
146 WGEA, Commonwealth Public Sector Gender Equality Scorecard: Key Employer Results From 2023, accessed 10 July 2025
147 Queensland Government, Government makes strides in lowering Queensland public sector gender pay gap, accessed 26 August 2025
148 NSW Public Service Commission, Workforce Profile Report 2023, accessed 26 August 2025
149 ACT Government, Advancing Gender Equality, accessed 26 August 2025
150 Olsen, W. and Walby, S., Modelling gender pay gaps, Working Paper No. 17, Equal Opportunities Commission (UK), pp. 24, accessed 8 October 2025

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Gendered social penalties in the workplace

A key aspect of gender and associated factors, including discrimination in the workplace, can be attributed to the social penalties placed on women due to entrenched gendered expectations around women's roles and behaviours in the workforce.

Research indicates that women and men are held to different social standards in the workplace and this can lead to differences in career outcomes. For example, gendered expectations surrounding leadership roles can result in women facing judgement for not complying with standards of behaviour that men in leadership may have traditionally displayed.[151]

A 2023 international study across 103 countries found that women are also more likely to face hostility, penalisation, or ostracisation from both their seniors and peers because of their achievements or successes at work. Of the 4,710 respondents to the survey, over 80% of women had experienced this phenomenon in the workplace.[152] These expectations create a compounded burden for women in the workplace, who are not only expected to perform under greater scrutiny than men, but are also required to carefully manage perceptions of their performance to avoid the social and professional consequences that can be associated with their success. As a result, women may downplay their achievements or avoid leadership roles altogether to protect themselves from negative judgement, ultimately reinforcing cycles of bias and inequality.

Gender bias in performance evaluations and promotion cycles

Despite the growing prominence of bias disrupters in workforce performance evaluation and promotion processes, men and women are still often subject to differing standards in performance evaluations and promotion cycles. Gender bias in performance evaluation and promotion cycles means that men and women are also often subject to different standards. For example, a study from the USA found that even in organisations that promote a meritocratic culture, the data indicated there was a favourable bias towards men that advantaged them over women.[153]

The content of performance evaluations can also differ based on gender. Women receive feedback that is less critical and more positive due to gender stereotypes around warmth and kindness, hence reducing the likelihood of improvement. A study at Stanford University's Clayman Institute for Gender Research found that women were systematically less likely than men to receive 'specific feedback tied to outcomes' regardless of whether the feedback was positive or negative. The analysis found that men were significantly more likely than women to be given a clear picture of what they were doing well, and specific guidance on how to improve.[154]

A survey of 4,481 employees in large and small Australian businesses, government and non-profit organisations found that women were twice as likely as men to report being told that they needed to display 'more confidence', and 30% more likely to report being told that they needed 'more experience' to be ready for promotion. However, only half of the women said they were given the opportunity to gain the experience required or received clear and specific feedback about what experience they needed to be deemed ready for promotion. Men were 50% more likely than women to say that they had received clear and specific feedback about how to improve.[155]

Gendered assumptions around parental leave and childcare

Gendered assumptions about who should take parental leave and provide care for family members or loved ones is another significant factor that influences workplace dynamics. Social norms that associate women with unpaid caring work influence the decisions that both employers and employees make. One of the known drivers is that women are more likely to take time away from the workplace to engage in caring, but research indicates that even when women do not have caring responsibilities, employers are more likely to make gendered assumptions that they may undertake caring responsibilities later in their career.[156]

151 WGEA, Gender equitable recruitment and promotion, accessed 27 September 2025
152 Women of Influence+, The Tallest Poppy™, accessed 10 July 2025
153 Castilla, E.J., Benard, S., The Paradox Of Meritocracy In Organizations, Administrative Science Quarterly 55(4), 543–676. accessed 19 September 2025
154 Correll, S.J., Simard, C., Vague feedback is holding women back, Harvard Business Review, accessed 8 October 2025
155 Sanders, M. et al., Advancing women in Australia: Eliminating bias in feedback and promotions, Bain & Company, Chief Executive Women, accessed 8 October 2025
156 Diehl, A., Dzubinski, L.M., How biases about motherhood impact all women at work, Harvard Business Review, accessed 10 July 2025

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These gendered assumptions lead to biased decisions by employers regarding recruitment, promotions, and expectations around women's commitment to, and availability for, work, which can negatively impact women's experience at work, career and financial outcomes, and access to leadership training and upskilling.

Equivalent national earnings

The table below presents the value of equivalent national earnings per week by groupings of drivers. This table shows the value in dollar terms of reducing the respective drivers of the gender pay gap to zero.

Table 14: Equivalent national earnings by driver

GENDER SEGREGATION IN JOB TYPE	CARE, FAMILY RESPONSIBILITIES AND WORKFORCE PARTICIPATION	ADDITIONAL GENDER INFLUENCES
+$460 million per week	+$331 million per week	+$688 million per week

Source: KPMG analysis of the HILDA Survey, Release 23, Wave 23 (HILDA Survey).

**Note: In line with the decomposition analysis, this analysis assumes that Gender discrimination, Gender segregation in job type, and Care, family responsibilities and workforce participation account for 55%, 37% and 26% of the hourly gender pay gap respectively. These shares have been applied to the estimated national earnings gap as per the quintile analysis to derive the estimates above.*

Focus areas for interventions to reduce the gender pay gap

The drivers analysis in this section highlights where targeted action can most effectively reduce the gender pay gap. Examples of opportunities for employers and government to effect change to close the gap are explored in Table 13 below. In addition to these opportunities, analysis of the HILDA survey data found that educational attainment has a significant positive impact on the gender pay gap and could be a focus area for action. With the gender pay gap persisting across industries and income levels, it is crucial to continue to act on opportunities to improve workplace gender equality and pay in Australia.

Analysis of the ABS data in **Appendix A** confirms that a substantial weekly earnings gap persists across all qualification levels of educational attainment. However, education provides clear wage benefits for women in lower- and middle-income brackets, where they are over-represented, and supports entering higher-paying, male-dominated industries such as STEM.[157,158] This underscores the continued importance of education as a lever for improving women's earnings outcomes and reducing the gender pay gap. Government initiatives that target efforts to improve access to education and training, particularly for women in lower-paid roles and under-represented industries can therefore help shift workforce composition and enable more equitable career progression.

The impact of entry into parenthood on women, including the 'motherhood pay gap' or 'motherhood penalty' for time taken off to care for children, is detailed in **Section 4: Care, family and workforce participation**. The provision of parental leave entitlements for each parent can support equal workforce participation and the equal division of caring responsibilities, and benefits employers by improving workplace retention.[159] As highlighted in **Section 2: Background – Advances in parental leave policies,** parental leave policies can continue to be improved through offering universally available leave and addressing prevailing social norms around men taking leave. WGEA has also developed a guide for employers to support the advancement of gender equitable leave.[160]

157 Budig, M. J., Lim, M., and Hodges, M. J., Racial and gender pay disparities: The role of education, Social Science Research, 98, 102580, accessed 8 October 2025
158 Quadlin, N., VanHevelen, T., and Ahearn, C. E., Higher education and high-wage gender inequality, Social Science Research, 112, 102873, accessed 8 October 2025
159 WGEA, Advancing gender equitable take up of parental leave and flexible work: A guide for employers, accessed 18 July 2025
160 ibid.

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Table 15: Impacts and opportunities related to closing the drivers of the gender pay gap

UNDERLYING DRIVER	EXAMPLE OF OPPORTUNITIES TO EFFECT CHANGE
Gender segregation in job type	– Continue to launch public awareness campaigns to challenge gender stereotypes in career choices, starting in schools and vocational programs. – Introduce wage equity reviews in feminised industries, with government incentives for employers who close pay gaps. – Government and Employers to set leadership diversity targets and link them to executive performance reviews and bonuses. – Establish cross-industry gender equality networks to mentor, advocate, and share leading practices for inclusive workplaces.
Care, family responsibilities and workforce participation	– Mandate flexible work policies, including remote work options and flexible hours, with manager training on implementation. • WGEA provides a practical guide for employers when developing a policy or strategy for flexible working arrangements.[161] The guide and its recommended inclusions for a flexible working policy can be found here: WGEA: Policy and strategy guidance: Flexible working arrangements. – Government to subsidise childcare costs through increased government funding and tax credits for families. – Government to reform tax and family payment systems to remove financial disincentives for secondary earners, especially women. – Employer to introduce universal parental leave schemes, or parental leave with non-transferable leave for both parents to encourage uptake. – Employer to redesign part-time managerial roles with clear KPIs and support structures to ensure career progression.
Additional Gender Influences	– Implement mandatory training on sexual harassment and everyday sexism, with regular refreshers and accountability mechanisms. • In addressing workplace sexual harassment, the Australian Human Rights Commission makes clear that employers must reduce barriers to information, safety, support following harassment, victim-survivors being heard and accountability for perpetrators[162] • WGEA provides a practical guide for employers when developing a policy or strategy for sexual harassment, harassment on the ground of sex and discrimination policy that improves gender equality in their workplace.[163] The guide and its recommended inclusions for a workplace sexual harassment policy can be found here: WGEA: Policy and strategy guidance: Sexual harassment, harassment on the ground of sex and discrimination. – Conduct annual gender pay audits, followed by published action plans with measurable targets. • For organisations that report to WGEA under the *Workplace Gender Equality Act 2012*, it is recommended to use WGEA's Action Planning Tool, developed in partnership with the Behavioural Economics Team of the Australian Government (BETA) and linked here: WGEA: Action Planning Tool. • The Tool uses data from the employer to deliver a list of evidence-informed actions relevant to each organisation's needs. This list can then be used to form a gender equality action plan. – Develop inclusive workplace policies through co-design with diverse employee groups and external experts. • The DCA provides a comprehensive guide on how employers can appropriately centre marginalised voices at work, with practical steps for organisations to follow and a clear explanation of why centring voice is critical.[164] The guide can be found here: DCA: Centring Marginalised Voices at Work. • Along with this, the DCA has also published resources explaining the role and benefit of employee reference groups (ERGs) as voluntary groups within an organisation that foster inclusivity within the workplace.[165] These groups can provide input into D&I strategies informed by their experiences while providing a voice for under-represented groups.[166]

161 WGEA, Policy and strategy guidance: Flexible Working Arrangements, accessed 25 August 2025
162 Australian Human Rights Commission, Speaking from Experience: What needs to change to address workplace sexual harassment. Community Guide 2025, accessed 8 August 2025
163 WGEA, Policy and strategy guidance: Sexual harassment, harassment on the ground of sex and discrimination, accessed 8 August 2025
164 Diversity Council Australia, Centring Marginalised Voices at Work: Lessons from DCA's Culturally and Racially Marginalised (CARM) Women in Leadership research, accessed 25 August 2025
165 Diversity Council Australia, ERGs, Networks & Affinity Groups, accessed 25 August 2025
166 ibid.

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05

Industry analysis

This section discusses the characteristics of the gender pay gap at an industry level.

Background

Consistent with the HILDA dataset, the ANZSIC are used to classify industries. ANZSIC are the standard classifications used in Australia and New Zealand for the collection, assembly and publication of statistics by industry. Five key industries are included in the in-depth analysis, namely:

- Healthcare and Social Assistance
- Education and Training
- Retail Trade
- Manufacturing
- Accommodation and Food Services.

These industries provide a cross-section of Australia's labour force, and were identified based on a combination of factors including HILDA sample size, total size of labour force, gender composition and average rate of pay.

The analysis quantifies the size of each industry's hourly gender pay gap, and examines the industry's size, gender composition and contribution to the national economy. The analysis also compares hourly gender pay gap to the 2020 analysis results. In particular, consideration is given to intra-industry characteristics relating to gendered segregation, occupational seniority and opportunities for advancement. To derive these insights, this report draws on ABS data to determine the economic contribution of each industry, HILDA data to calculate the hourly wage gap, and WGEA gender pay gap data to determine women's representation in each industry.

Analysis findings

The analysis finds significant differences across industries in relation to progress on closing the gap, gender segregation and representation in management roles. Deep dives across five key industries exhibit how gender pay gaps remain prevalent regardless of labour force size, gender composition or average rate of pay.

Healthcare and Social Assistance, and Education and Training are Australia's two most women-dominated industries and are also in the top three largest in terms of labour force size (Education and Training is equal with Retail Trade, with both representing a 9% share of the total labour force). The hourly gender pay gap for Healthcare and Social Assistance is estimated to be 6.5%, below the national average of 7.3%. Here, the standardising effect of industry award rates for Healthcare and Social Assistance workers may contribute to the lower overall pay for employees, but also the lower hourly gender pay gap than the national average. Meanwhile, the hourly gender pay gap for the Education and Training industry remains above the national average, at 9.5%.

Although there have been improvements in the gender pay gaps in both industries since 2020, female promotions and the number of women in management positions are still disproportionate to women's overall participation in these industries. For both Healthcare and Social Assistance, and Education and Training, the gap in gender representation widens as the seniority of management positions increases. In line with the findings of WGEA and the ILO, it further indicates that women in women-dominated industries face barriers to closing the gender pay gap.

The analysis highlights that the concentration of women and men varies significantly across industries. However, a consistent feature across industries is under-representation of women in management positions. Nationally, there is a gap of 9 percentage points in management representation when compared to labour force participation.

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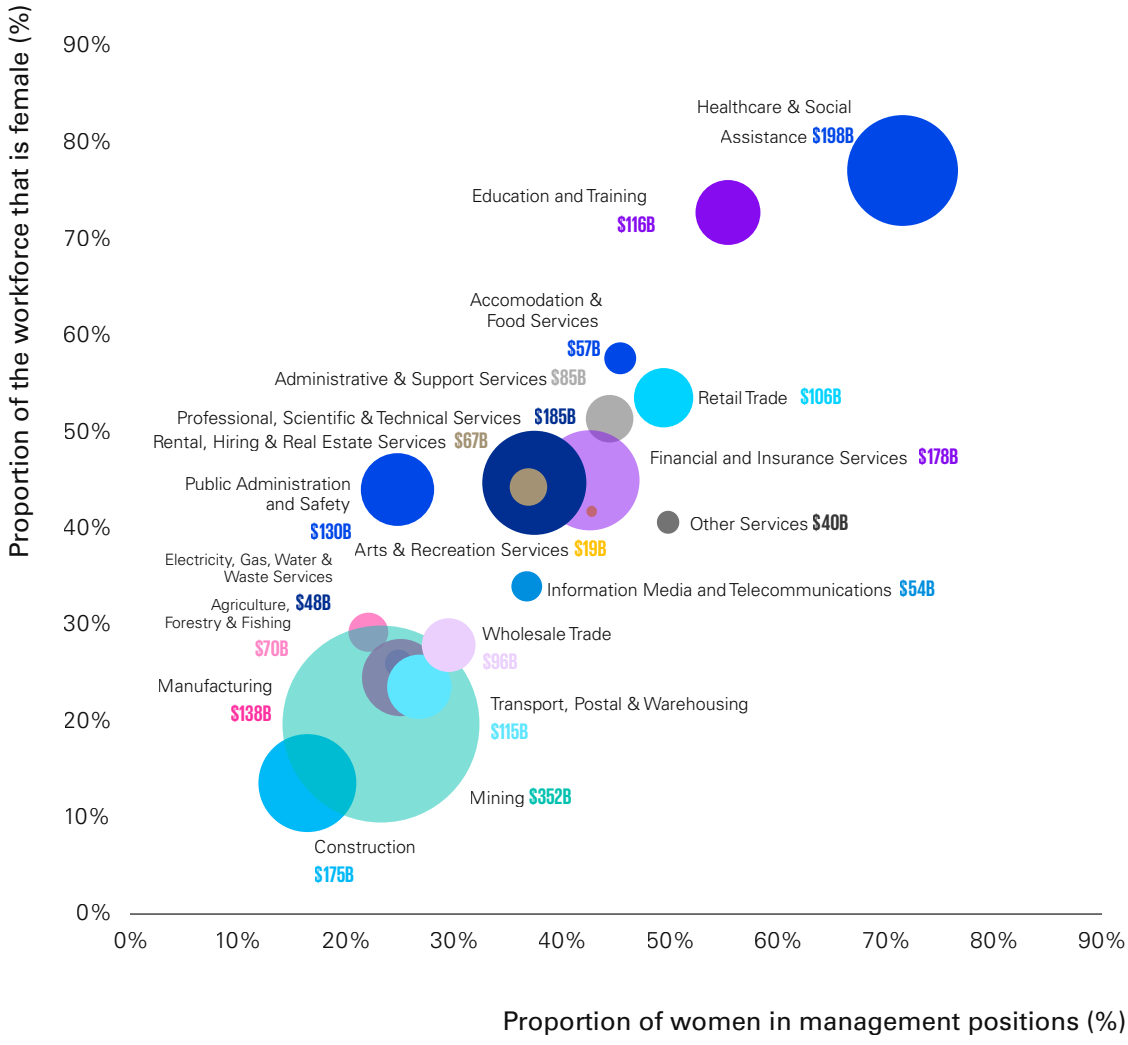
Women tend to be over-represented in promotions in men-dominated industries, specifically Manufacturing and Accommodation and Food Services. This suggests women are potentially promoted at a faster rate than men within these industries. However, this trend does not necessarily result in the majority of management positions held by women and the same industries still possess considerable gaps in representation in these roles.

The chart below shows the relative size of industries in gross value added and the proportion of workforce that are women and the share of women in management positions. The chart illustrates how women's representation in management positions continues to fall short of their participation across a majority of Australian industries – a key impediment to closing the national gender pay gap.

Chart 9: Industry size, gender composition, and share of management positions



Source: KPMG analysis of the HILDA Survey, Release 23, Wave 23 (HILDA Survey); Labour Force, Australia, Detailed, May 2025 (ABS data); ABS Australian National Accounts – Gross Value Add (GVA) by Industry 2024, WGEA Workplace Profile and Management Statistics data (2023)

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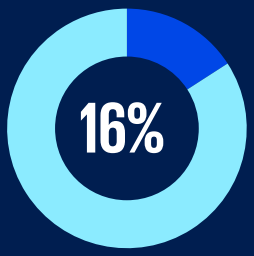
Industry deep dives

Healthcare and Social Assistance

INDUSTRY ECONOMIC CONTRIBUTION

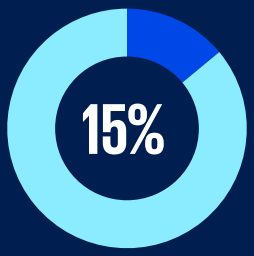
2.2M



Share of total national employment

(ABS (2024), Labour Force, Australia, Detailed – Employed persons by industry)

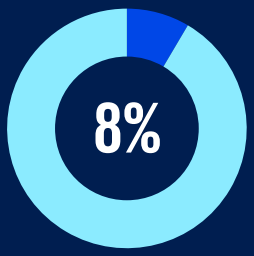
$152.6B



Share of total national wages

(ABS (2024), Employee Earnings, August – Distribution of earnings of employees by industry)

$198.3B



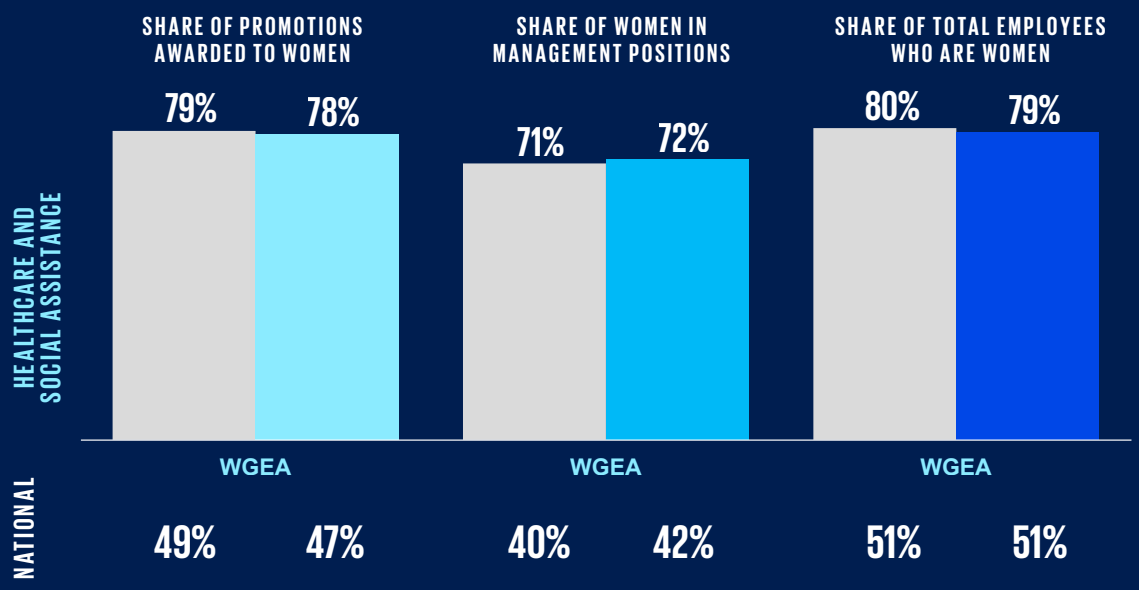
Share of total economic output

(ABS (2024), Australian System of National Accounts – Gross Value Add (GVA) by Industry)

AVERAGE REAL HOURLY EARNINGS (HILDA, WAVE 20 AND 23)

	HEALTHCARE AND SOCIAL ASSISTANCE (2020)	HEALTHCARE AND SOCIAL ASSISTANCE (2023)	NATIONAL – ALL INDUSTRIES (2023)
MEN	$51.57/hr	$47.38/hr	$45.57/hr
WOMEN	$45.77/hr	$44.31/hr	$42.26/hr
GAP ($)	$5.80hr	$3.07/hr ↓	$3.31/hr
	11.2%	6.5% ↓	7.3%

WOMEN'S REPRESENTATION IN THE INDUSTRY



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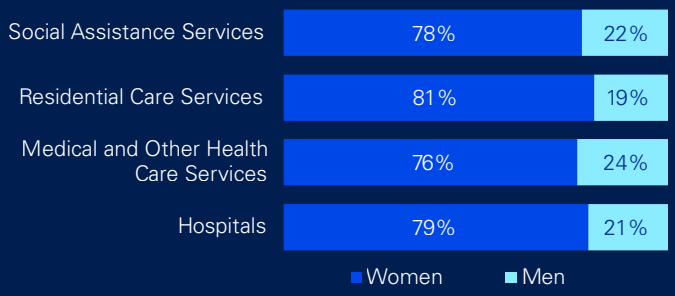
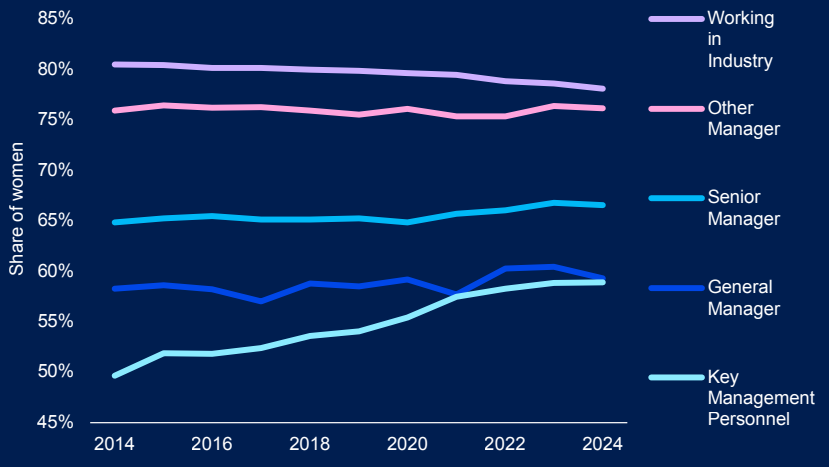
HEALTHCARE AND SOCIAL ASSISTANCE FINDINGS

Chart 10: Gender composition of Healthcare and Social Assistance sub-industries



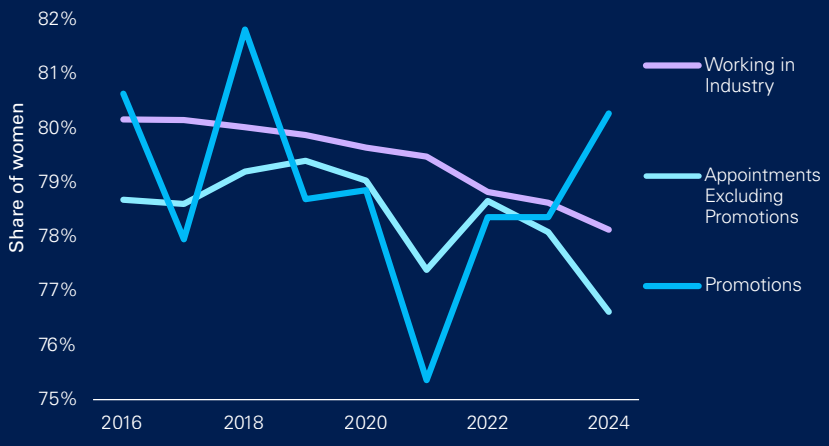
Source: KPMG analysis of WGEA's Workplace Profile Statistics data

Chart 11: Management positions held by women in the Healthcare and Social Assistance industry



Source: KPMG analysis of WGEA Workplace Profile Statistics data

Chart 12: Promotions awarded to women in the Healthcare and Social Assistance industry



Source: KPMG analysis of WGEA Workforce Management Statistics data

In the Healthcare and Social Assistance industry, the share of employees that are women declined marginally from 2020 to 2023, while the share of women in management positions slightly increased.

This change could be viewed as a small improvement since 2020, but with caution given that the share of promotions received by women has declined.

While the hourly gender pay gap as a percentage of hourly earnings is slightly lower than the national average, the gender pay gap for women in the Healthcare and Social Assistance industry nonetheless persists at $3.07 per hour, or 6.5% of hourly earnings. This is lower than the national hourly pay gap in 2023 of 7.3%.

The 2023 result is a decrease from the sector's hourly pay gap reported in 2020, which was 11.2%. Interestingly, the hourly pay gap in Healthcare and Social Assistance has closed by 4.7 percentage points while the national hourly pay gap has increased by 0.8 percentage points (from 6.5% in 2020 to 7.3% in 2023).

Note that all figures use WGEA Workplace Profile and Workforce Management Statistics data, which may not align with previous editions of the report. Detailed definitions of manager categories can be found in **Appendix C.**

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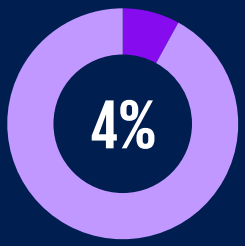
Education and Training

INDUSTRY ECONOMIC CONTRIBUTION

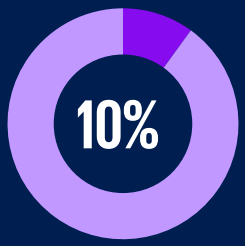
1.3M



Share of total national employment

(ABS (2024), Labour Force, Australia, Detailed – Employed persons by industry)

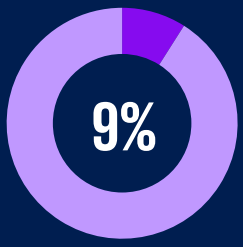
$106.0B



Share of total national wages

(ABS (2024), Employee Earnings, August – Distribution of earnings of employees by industry)

$116.2B



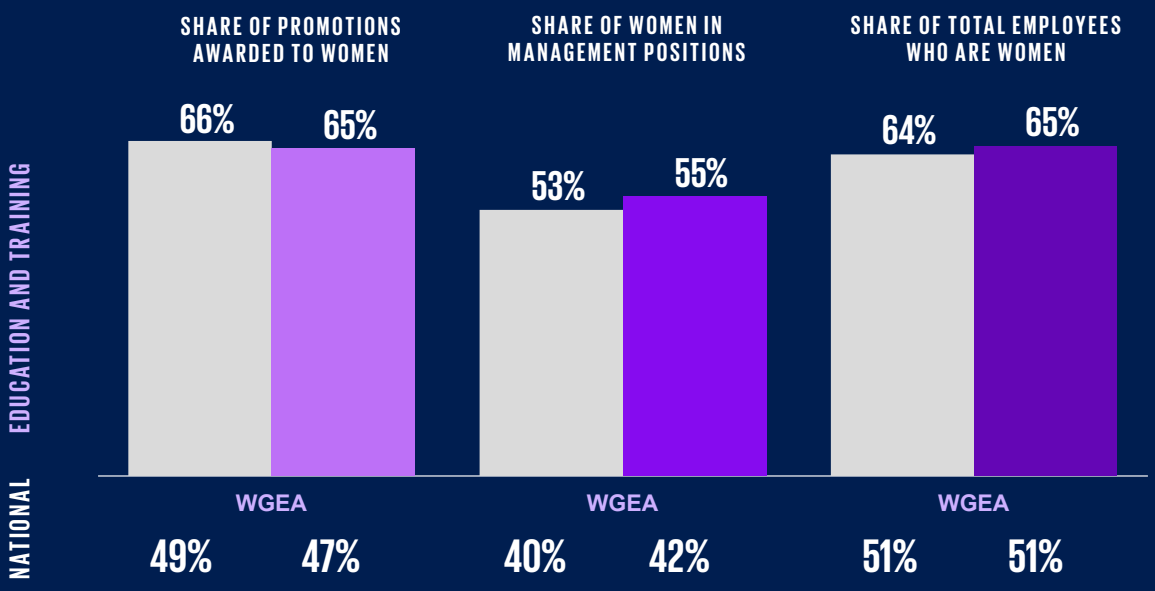
Share of total economic output

(ABS (2024), Australian System of National Accounts – Gross Value Add (GVA) by Industry)

AVERAGE REAL HOURLY EARNINGS (HILDA, WAVE 20 AND 23)

	EDUCATION AND TRAINING (2020)	EDUCATION AND TRAINING (2023)	NATIONAL - ALL INDUSTRIES (2023)
MEN	$54.62/hr	$50.45/hr	$45.57/hr
WOMEN	$47.07/hr	$45.64/hr	$42.26/hr
GAP ($)	$7.55/hr	$4.82/hr ↓	$3.31/hr
	13.8%	9.5% ↓	7.3%

WOMEN'S REPRESENTATION IN THE INDUSTRY



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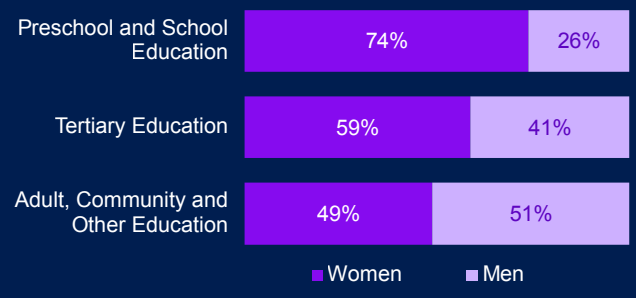
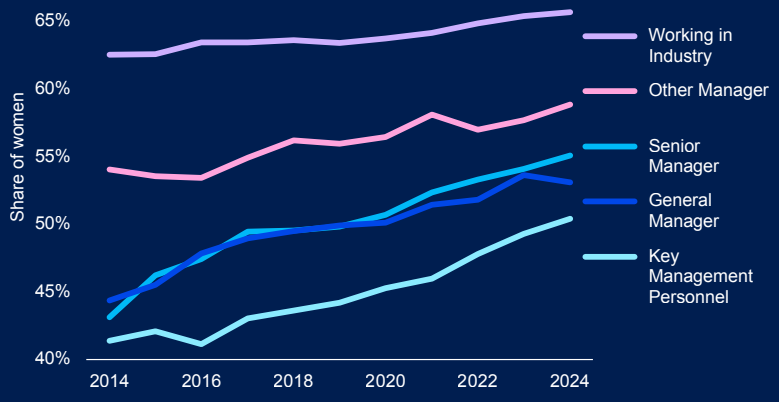
EDUCATION AND TRAINING FINDINGS

Chart 13: Gender composition of Education and Training sub-industries



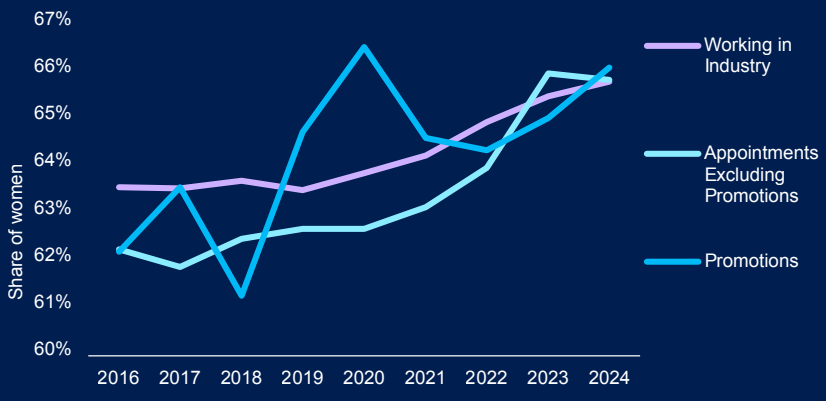
Source: KPMG analysis of WGEA's Workplace Profile Statistics data

Chart 14: Management positions held by women in the Education and Training industry



Source: KPMG analysis of WGEA Workplace Profile Statistics data

Chart 15: Promotions awarded to women in the Education and Training industry



Source: KPMG analysis of WGEA's Workforce Management Statistics data

While the share of women participating in the Education and Training industry has increased since 2020, women are still under-represented in management such that their labour force participation exceeds share of management positions by 10 percentage points.

Though the share of women being promoted to Key Management Personnel, General Manager, Senior Manager and Other Management roles has increased, the increase in these promotions has not exceeded women's increased labour participation in this industry overall.

This improved representation of women in senior leadership roles, combined with a significant increase in the share of total appointments (including internal and external appointments, outside of promotion) being awarded to women, has likely contributed to the decrease in the hourly gender pay gap from 13.8% in 2020 to 9.5% in 2023, or $4.82 per hour.

It should be noted that the figures only use WGEA Workplace Profile and Workforce Management Statistics data to provide like-for-like analysis. Detailed definitions of manager categories can be found in **Appendix C.**

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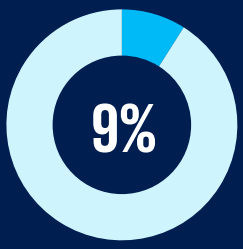
Retail Trade

INDUSTRY ECONOMIC CONTRIBUTION

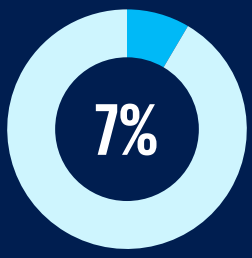
1.3M



Share of total national employment

(ABS (2024), Labour Force, Australia, Detailed – Employed persons by industry)

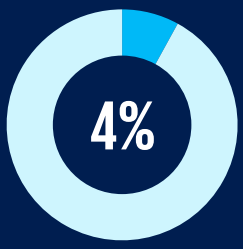
$73.8B



Share of total national wages

(ABS (2024), Employee Earnings, August – Distribution of earnings of employees by industry)

$106.5B



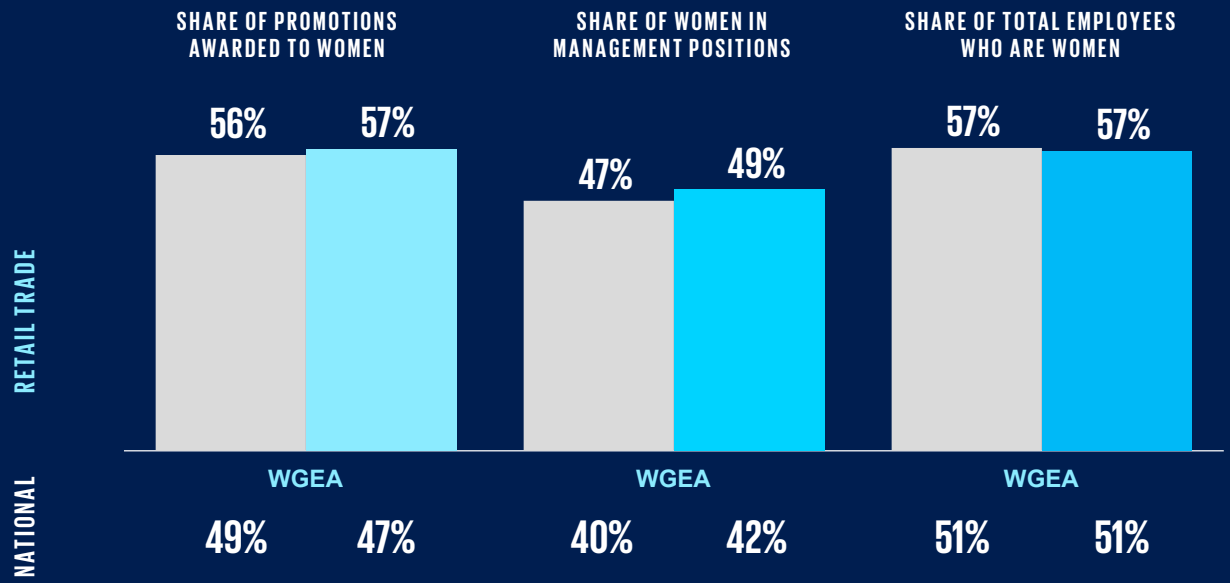
Share of total economic output

(ABS (2024), Australian System of National Accounts – Gross Value Add (GVA) by Industry)

AVERAGE REAL HOURLY EARNINGS (HILDA, WAVE 20 AND 23)

	RETAIL TRADE (2020)	RETAIL TRADE (2023)	NATIONAL – ALL INDUSTRIES (2023)
MEN	$35.41/hr	$32.98/hr	$45.57/hr
WOMEN	$32.16/hr	$30.67/hr	$42.26/hr
GAP ($)	$3.26/hr	$2.31/hr ↓	$3.31/hr
	9.2%	7.0% ↓	7.3%

WOMEN'S REPRESENTATION IN THE INDUSTRY



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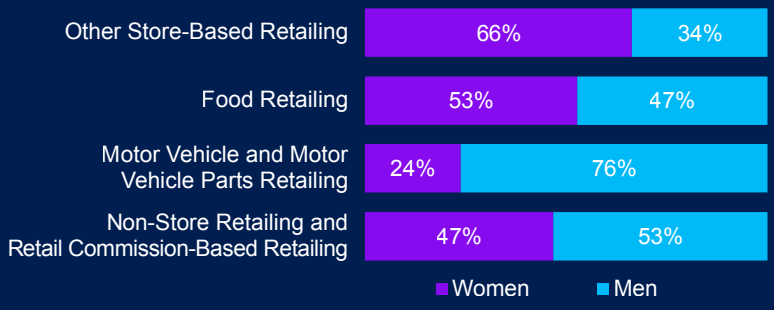
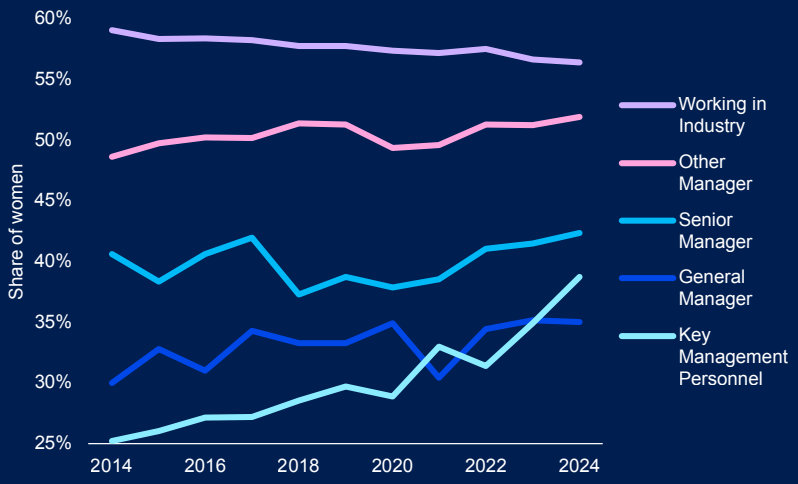
RETAIL TRADE INDUSTRY FINDINGS

Chart 16: Gender composition of Retail Trade sub-industries



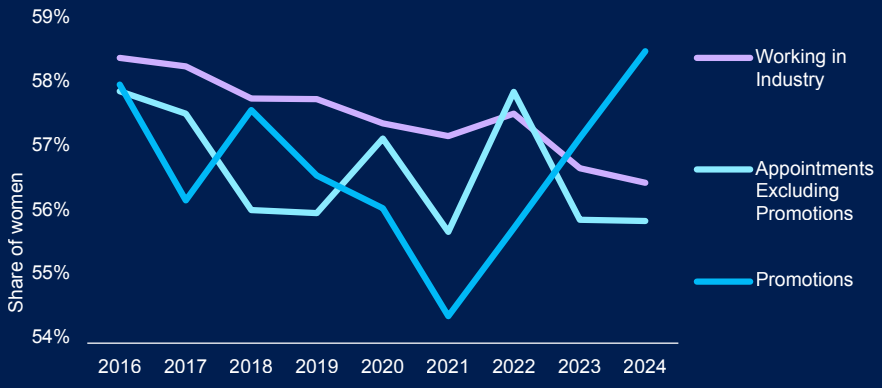
Source: KPMG analysis of WGEA's Workplace Profile Statistics data

Chart 17: Management positions held by women in the Retail Trade industry



Source: KPMG analysis of WGEA Workplace Profile Statistics data

Chart 18: Promotions awarded to women in the Retail Trade industry



Source: KPMG analysis of WGEA's Workforce Management Statistics data

Women's participation in the Retail Trade industry remained stable between 2020 and 2023, while the share of promotions awarded to women and the share of women in management positions have both marginally increased and are above the national average.

This has likely contributed to the decrease in the hourly gender pay gap from 9.2% in 2020 to 7.0% in 2023, or $2.31 per hour.

Since 2020, the representation of women in Key Management Personnel, General Manager, Senior Manager and Other Management roles has increased. While the increase in promotions to women has steeply increased, the total share of appointments, including internal and external, awarded to women (outside of promotions) has marginally decreased. However, the effect of this marginal decrease on the hourly gender pay gap is likely negligible.

It should be noted that the figures only use WGEA Workplace Profile and Workforce Management Statistics data to provide like-for-like analysis. Detailed definitions of manager categories can be found in **Appendix C.**

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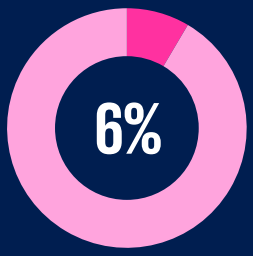
Manufacturing

INDUSTRY ECONOMIC CONTRIBUTION

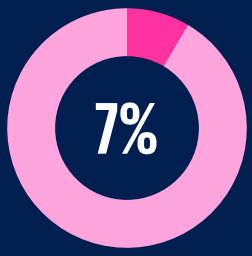
0.9M



Share of total national employment

(ABS (2024), Labour Force, Australia, Detailed – Employed persons by industry)

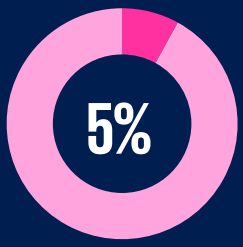
$69.2B



Share of total national wages

(ABS (2024), Employee Earnings, August – Distribution of earnings of employees by industry)

$138.0B



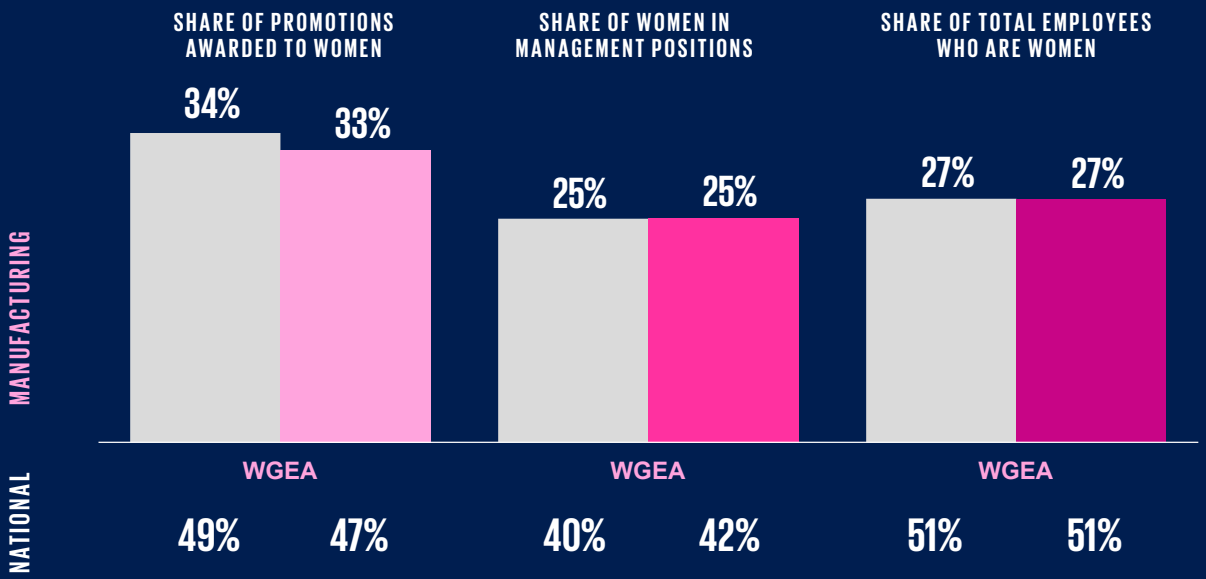
Share of total economic output

(ABS (2024), Australian System of National Accounts – Gross Value Add (GVA) by Industry)

AVERAGE REAL HOURLY EARNINGS (HILDA, WAVE 20 AND 23)

	MANUFACTURING (2020)	MANUFACTURING (2023)	NATIONAL - ALL INDUSTRIES (2023)
MEN	$47.09/hr	$42.93/hr	$45.27/hr
WOMEN	$46.06/hr	$38.49/hr	$42.26/hr
GAP ($)	$1.04/hr	$4.44/hr ↑	$3.31/hr
	2.2%	10.3% ↑	7.3%

WOMEN'S REPRESENTATION IN THE INDUSTRY



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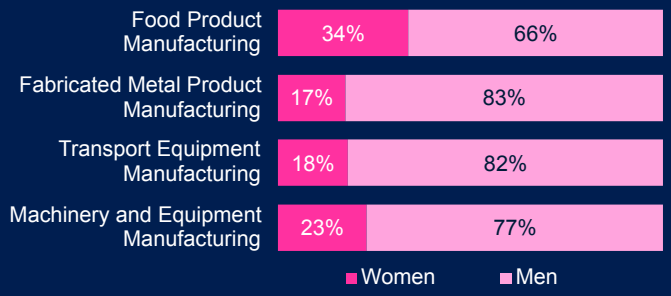
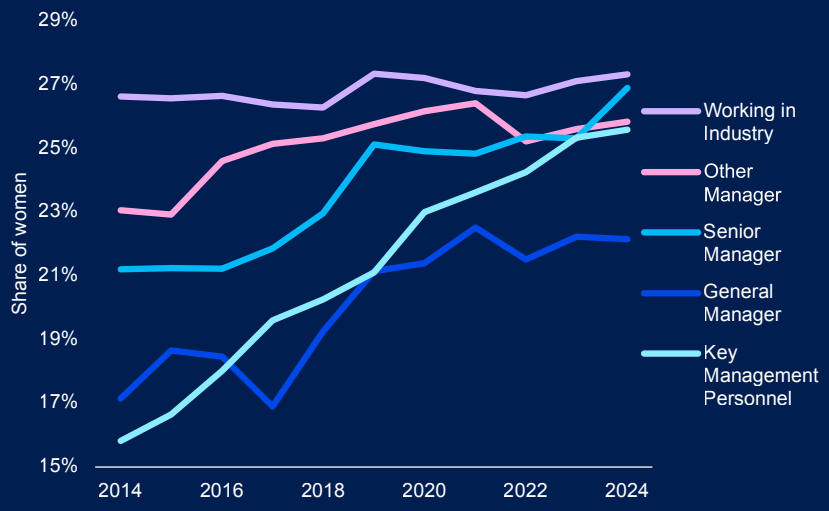
MANUFACTURING INDUSTRY FINDINGS

Chart 19: Gender composition of Manufacturing sub-industries



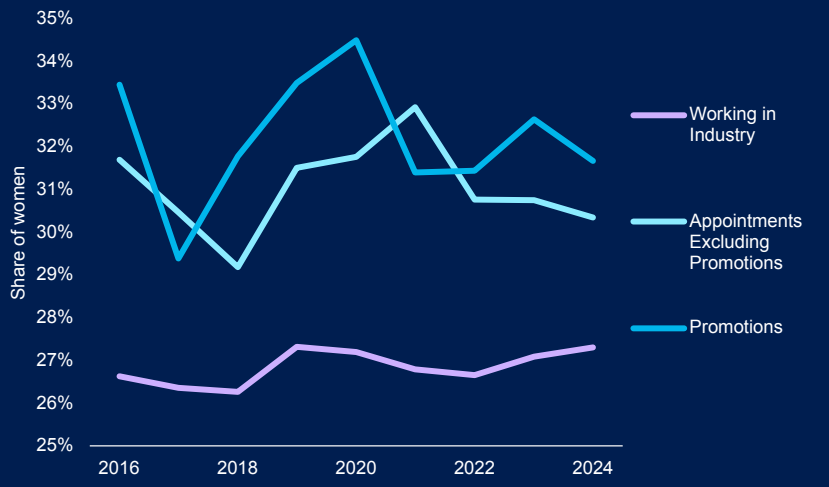
Source: KPMG analysis of WGEA's Workplace Profile Statistics data

Chart 20: Management positions held by women in the Manufacturing industry



Source: KPMG analysis of WGEA Workplace Profile Statistics data

Chart 21: Promotions awarded to women in the Manufacturing industry



Source: KPMG analysis of WGEA's Workforce Management Statistics data

The Manufacturing industry demonstrates the widest gender pay gap across the analysis, at 10.3% or $4.44 per hour.

This gap is a notable increase from the 2020 hourly pay gap of 2.2%. Despite the share of promotions being awarded to women still exceeding their participation by 6 percentage points, this share has marginally decreased since 2020 while the share of women in management positions, and in the labour force overall, remained stable.

Although representation of women in Key Management Personnel and Senior Management roles has increased since 2020 the share of women in General Manager and Other Management roles has marginally decreased.

This could be due to changes in the composition of the workforce and desirable skills as shifts have occurred toward advanced manufacturing in the industry more broadly. For instance, an increase in demand for technical skillsets may result in these specialised roles being prioritised over middle management positions.

This, combined with the sharp decrease in the share of women receiving internal or external appointments, may have contributed to a compounded increase in the gender pay gap.

It should be noted that the figures only use WGEA Workplace Profile and Workforce Management Statistics data to provide like-for-like analysis. Detailed definitions of manager categories can be found in **Appendix C.**

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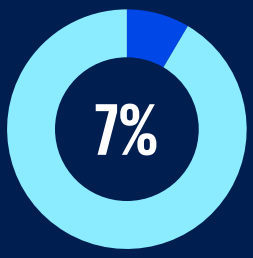
Accommodation and Food Services

INDUSTRY ECONOMIC CONTRIBUTION

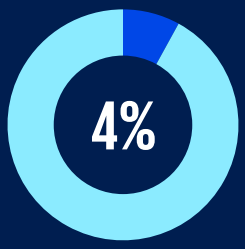
1.0M



Share of total national employment

(ABS (2024), Labour Force, Australia, Detailed – Employed persons by industry)

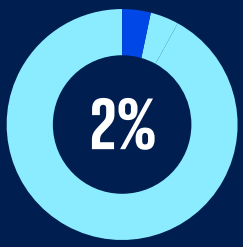
$38.5B



Share of total national wages

(ABS (2024), Employee Earnings, August – Distribution of earnings of employees by industry)

$57.1B



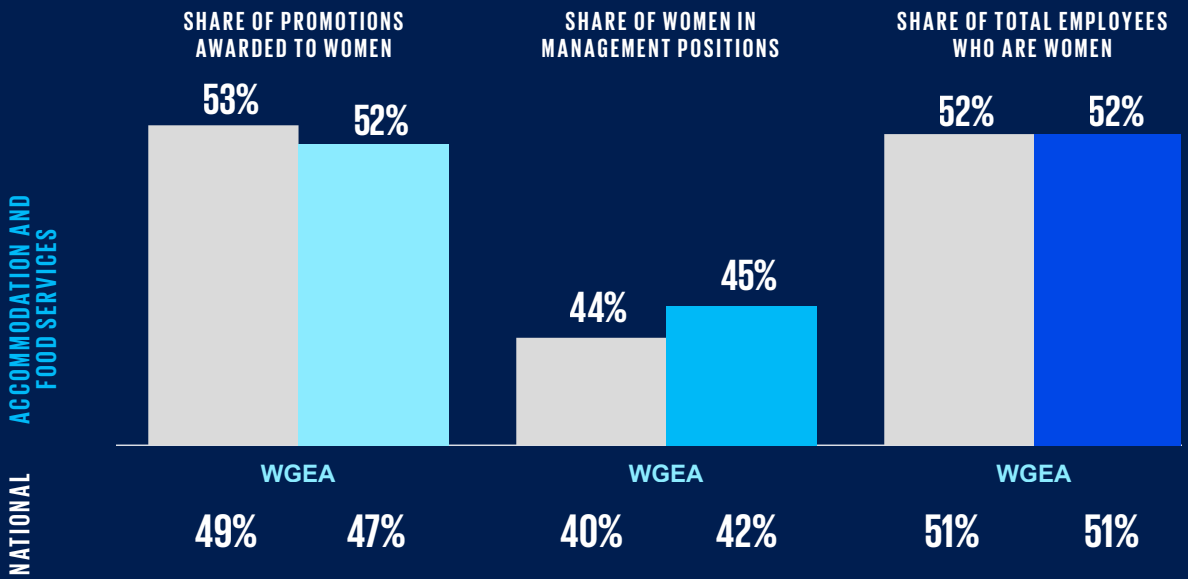
Share of total economic output

(ABS (2024), Australian System of National Accounts – Gross Value Add (GVA) by Industry)

AVERAGE REAL HOURLY EARNINGS (HILDA, WAVE 20 AND 23)

	ACCOMMODATION AND FOOD SERVICES (2020)	ACCOMMODATION AND FOOD SERVICES (2023)	NATIONAL – ALL INDUSTRIES (2023)
MEN	$30.92/hr	$26.51/hr	$45.57/hr
WOMEN	$28.64/hr	$27.49/hr	$42.26/hr
GAP ($)	$2.28/hr	$-0.98/hr ↓	$3.31/hr
	7.4%	-3.7%↓	7.3%

WOMEN'S REPRESENTATION IN THE INDUSTRY



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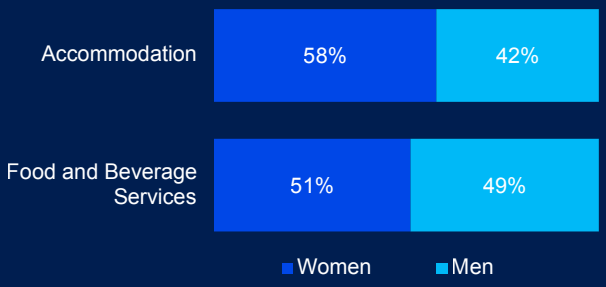
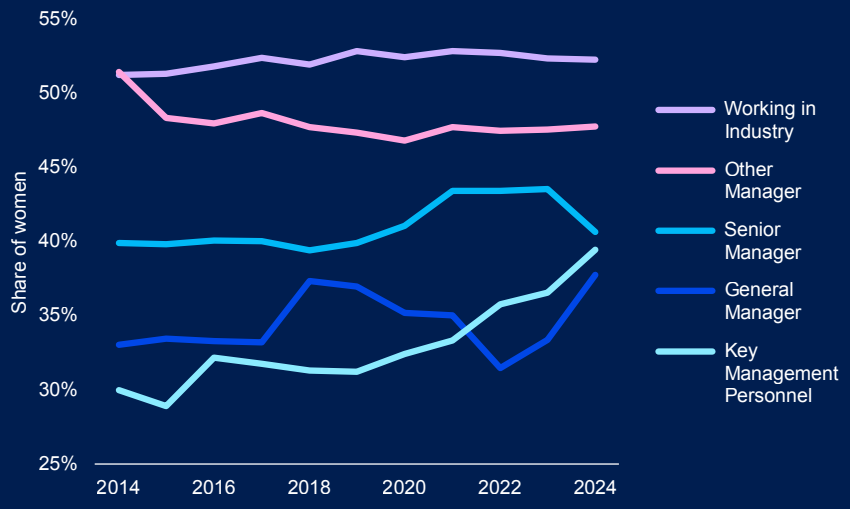
ACCOMMODATION AND FOOD SERVICES INDUSTRY FINDINGS

Chart 22: Gender composition of Accommodation and Food Services sub-industries



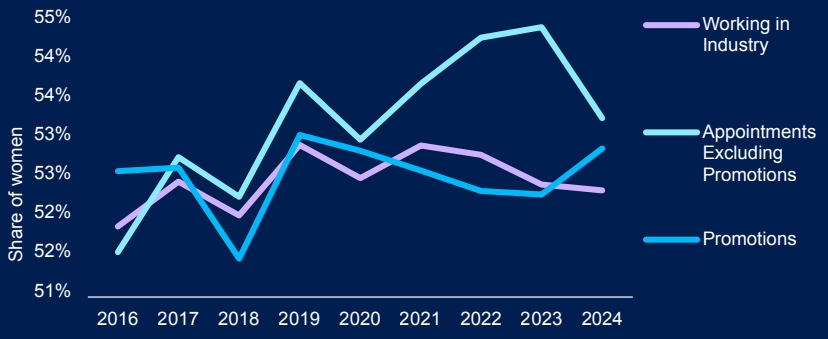
Source: KPMG analysis of WGEA's Workplace Profile Statistics data

Chart 23: Management positions held by women in the Accommodation and Food Services industry



Source: KPMG analysis of WGEA Workplace Profile Statistics data

Chart 24: Promotions awarded to women in the Accommodation and Food Services industry



Source: KPMG analysis of WGEA's Workforce Management Statistics data

In the Accommodation and Food Services industry, the share of promotions being awarded to women is in line with their share of the labour force. However, representation in management positions remains notably lower than industry participation.

The representation of women in promotion cycles may have contributed to the reversal of the gender pay gap in 2023, where women earned 3.7% more than men per hour, or $0.98. Since 2022, it is worth noting that the proportion of promotions being awarded to women has marginally increased, particularly in General Manager roles and Key Management Personnel, while women's participation in the industry overall has marginally decreased. The rate of women's promotion to leadership roles, without an increase to their labour participation, could explain the reversal of the pay gap.

It should be noted that the figures only use WGEA Workplace Profile and Workforce Management Statistics data to provide like-for-like analysis. Detailed definitions of manager categories can be found in **Appendix C.**

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Focus areas for interventions to reduce the gender pay gap

Professional, Scientific and Technical services, Manufacturing, and Education and Training are three examples of industries with gender pay gaps that are significantly above the national average. The Manufacturing industry has seen a significant increase in the gender pay gap since the last report. More work is needed in these sectors to reduce the industry gender pay gap. Increasing the share of women in management positions and the overall representation of women in the industry workforce present opportunities for industries to drive change. While this report does not capture a detailed analysis across all industries individually, a full list of industry gender pay gaps is included in **Appendix B**. The table below identifies opportunities to effect change by addressing the key drivers of the gender pay gaps across industries. These three drivers emerged from the analysis and are also in line with research from WGEA and the Bankwest Curtin Economics Centre, which cites a more balanced gender composition across all industries and an increased share of women in leadership roles as pivotal in narrowing the gender pay gap.[167]

Table 16: Opportunities to address the gender pay gap

UNDERLYING DRIVER	EXAMPLE OF OPPORTUNITIES TO EFFECT CHANGE
Share of industry employees who are women	– **Comprehensive gender pay gap analysis:** Conduct comprehensive gender pay analysis/wage equity audits in feminised industries and publish action plans with measurable targets to close gaps.[168,169] – **Improved award rates for feminised industries:** Phased increases to the modern awards for employees in women-dominated industries, such as health, early childhood education and pharmacy, were introduced by the Fair Work Commission from 30 June 2025.[170]
Share of women in management positions	– **Flexible work policies:** Introduce flexible work policies with manager training and accountability mechanisms to improve work–life balance.[171] – **Formalised mentoring and sponsorship programs:** Introduce official mentoring and sponsorship programs to support retention of women and to expand their visibility so that women can be included in opportunities that would support career advancement.[172]
Share of promotions awarded to women	– **Transparency:** Mandate transparent promotion and pay criteria to reduce bias and ensure equal progression opportunities. [173]

167 Duncan, A.S., Mavisakalyan, A. and Salazar, S., Gender Equity Insights 2022: The State of Inequality in Australia, BCEC|WGEA Gender Equity Series, Issue 7, accessed 8 October 2025
168 ibid.
169 WGEA, Policy and strategy guidance: Equal remuneration between women and men, accessed 26 August 2025
170 Fair Work Commission, Summary of Decision: Gender-based undervaluation – priority awards review, accessed 26 August 2025
171 WGEA, Policy and strategy guidance: Gender composition of the workforce, accessed 26 August 2025
172 ibid.
173 WGEA, Policy and strategy guidance: Equal remuneration between women and men, accessed 26 August 2025

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06

Pay gap across income levels

This section explores how the gender pay gap manifests across different income levels, using quintile- and quartile-based analysis to highlight disparities in hourly and weekly earnings between men and women. By comparing hourly and weekly earnings, the chapter accounts for differences in working hours, especially the higher prevalence of part-time work among women. This distinction is critical for understanding why the weekly pay gap is often larger than the hourly gap and helps contextualise the findings within broader workforce participation trends.

By examining the distribution of earnings and workforce representation, the chapter provides insight into how gender inequality intensifies at higher income levels and persists across the career spectrum. This section includes analysis on the gender pay gap by levels of earnings, equivalent national earnings, and opportunity areas to address the gender pay gap. The analysis draws on the latest HILDA and WGEA data to identify structural drivers and inform targeted interventions, with a particular focus on the top 25% of earners where the gap is most pronounced.

Background

To better understand the scale and nature of the gender pay gap, this chapter breaks down earnings data by income quintile and quartile, grouping the workforce into five and four segments (respectively) based on hourly and weekly earnings. This approach allows for a nuanced view of how pay disparities evolve across different earning levels and career stages.

The focus of this section is on identifying where the gender pay gap is most significant and what drives it. It highlights the persistent under-representation of women in higher-paying roles and leadership positions and the impact of part-time work and career interruptions on women's earnings. The analysis also considers how structural factors, such as occupational segregation, promotion pathways, and workplace flexibility, contribute to unequal pay outcomes.

Analysis findings

The analysis below provides a view of the pay gap across earnings quintiles based on the latest HILDA data. The data indicates that the gap in earnings increases in line with earnings. This suggests that as women progress through their career and accrue higher earnings, the gender pay gap increases. This is likely due to a range of factors, including gender related factors, heightened barriers to career advancement in high-earning jobs, trends towards taking up part-time work for family and care obligations (particularly for women with highly demanding workloads), and under-representation in management positions, as explored earlier in **Section 4: Drivers of the gender pay gap.**

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Table 17: Pay gap by earnings quintile

QUINTILE OF EARNINGS	AVERAGE EARNINGS PER HOUR				AVERAGE WEEKLY EARNINGS			
	MEN	WOMEN	GAP (%)	CHANGE FROM 2020	MEN	WOMEN	GAP (%)	CHANGE FROM 2020
80–100%	$92.94	$76.17	18%	0%	$3,797	$2,633	31%	-3%
60–79%	$57.35	$48.39	14%	0%	$2,385	$1,713	28%	+1%
40–59%	$42.76	$38.97	9%	+1%	$1,718	$1,324	23%	-2%
20–39%	$33.04	$31.95	3%	-2%	$1,272	$1,050	17%	-6%
0–19%	$22.19	$22.67	-2%	-8%	$794	$614	23%	-2%

Source: KPMG analysis of the HILDA Survey, Waves 23

Note: Includes only employed persons with greater than $0 average weekly earnings.

The data in the table above shows that men almost always earn more than women at an hourly and weekly rate across quintiles (with the exception of hourly earnings in the bottom quintile), with the gap between men and women's earnings becoming progressively larger as income increases.

The gap in weekly earnings at the top quintile remains the highest out of all quintiles but has reduced by 3 percentage points since 2020. Although further analysis would be required to understand causation, the reduction of the gender pay gap in this quintile may point to the positive impact of government initiatives – such as the recent changes to the childcare subsidy and changes to parental leave policies – on women's workforce participation, and subsequently weekly earnings.

The strongest progress towards reducing the gender pay gap since 2020 is observed in the bottom two quintiles. In particular, the gap in hourly earnings between men and women reduced by 8 percentage points for individuals in the bottom quintile since 2020. Women in this quintile now earn 48 cents per hour more than their men counterparts on average, which renders it the only quintile with a positive gender pay gap. This may be attributable to the high representation of women in this quintile working on hourly wages in low pay industries, such as care work, hospitality and cleaning. It is also important to note that industry awards (as opposed to individual contracts) and union membership are more common in industries with lower pay, which are often highly feminised.[174] As a result of these industry awards' standardising effects, these industries may have lower pay overall, but also a lower-than-average hourly gender pay gap. Meanwhile, the gap in weekly earnings in this quintile only reduced by 2 percentage points since 2020, to 23%. This disparity between the hourly and weekly gender pay gap in this quintile is likely attributable to the trend of women being more likely to take up part-time roles or work reduced hours to fulfil care and family obligations compared to their male counterparts.

The findings of the quintile analysis of HILDA data are consistent with the HILDA and WGEA data provided in the two charts below, which indicate that employed persons who are men are almost twice as likely to be in the top 25% of earners (Chart 24). This distribution in the top quartile of earners remains unchanged since the last iteration of this report.

174 WGEA, Guide to gender pay equity: Practical steps to improve pay equity between women and men in your organisation, accessed 26 August 2025

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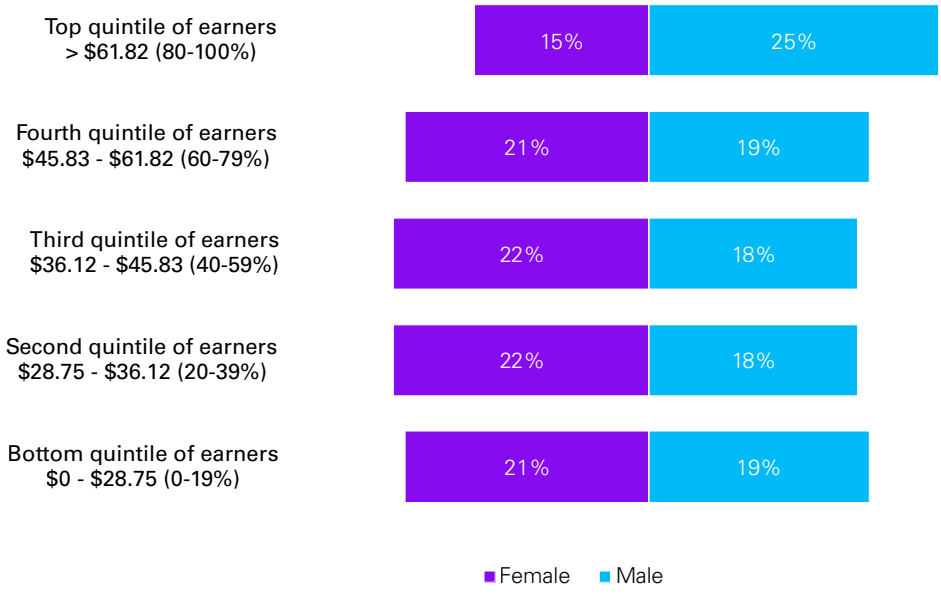
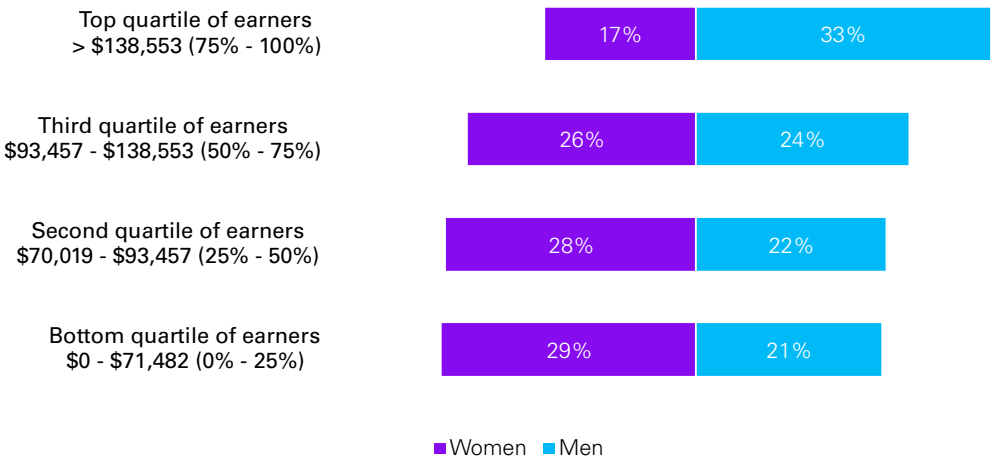
Chart 25: Workforce distribution by hourly pay quintile (HILDA)



Source: KPMG analysis of the HILDA Survey, Wave 23 (HILDA Survey)

Note: The methodology used to create this chart was updated for the 2026 report, including only hourly pay. Totals may not sum to 100% due to rounding.

Chart 26: Workforce distribution by annual income quartile (WGEA)



Source: WGEA Data Explorer (2024)

Note: Totals may not sum to 100% due to rounding.

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Equivalent national earnings

Analysis outlined in Table 18 below shows that the pay gap between men and women is equivalent to **$1.26 billion** a week, or **$65.8 billion per annum**. The analysis also shows that there is a significant disparity in the highest quintile of earners, this is consistent with WGEA's findings that the gender pay gap for CEOs and HOBs is higher than the national average for the private sector.[175] In 2023, the top 20% of male earners earned an estimated $725 million more per week than the top 20% of female earners.

Table 18: Impacts of eliminating the gender pay gap by earnings quintile

QUINTILE OF EARNINGS	ESTIMATED PAY GAP (2020)	ESTIMATED PAY GAP (2023)
80–100%	$605 million/week	$725 million/week
60–79%	$318 million/week	$347 million/week
40–59%	$126 million/week	$160 million/week
20–39%	$60 million/week	$45 million/week
0–19%	$43 million/week	-$16 million/week
Total	$1,152 million/week	$1,261 million/week

Source: KPMG analysis of the HILDA in Australia Survey, Waves 2 – 23 (HILDA Survey)

Focus areas for interventions to reduce the gender pay gap

The analysis points to the need for a focus on interventions to address the importance of women progressing to the top bracket of income earners in the first instance, and then targeting the wage discrepancy in this bracket, where women experience a significant gender pay gap. As reflected in WGEA's Employer Gender Pay Gaps Snapshot for 2024, increased women's representation in leadership positions also has positive flow-on effects, with a decreased gender pay gap in lower levels of the organisation.[176] Further interventions to address the gender pay gap are outlined in the table below.

Table 19: Opportunities to address the gender pay gap

UNDERLYING DRIVER	EXAMPLE OF OPPORTUNITIES TO EFFECT CHANGE
Share of women in lower-paid occupations and industries **(Lower quintiles and quartiles of earners)**	– **Eliminating gender bias in performance evaluation:** This could include introducing bias disruptors in performance evaluation cycles to ensure fairness, ensuring women have equal opportunities for advancement and promotion to higher paying roles. – **Work-life balance and flexible work policies:** This could include introducing flexible working arrangements and parental leave polices, with career progression opportunities to ensure women balancing work and caregiving responsibilities are appropriately supported in the workplace. – **Reclassification of roles in women-dominated industries:** This could include reviewing and adjusting the classification levels of roles in women-dominated industries, such as Healthcare and Social Assistance, and Education and Training, to ensure they reflect equitable pay and recognition of skills.
Share of women in leadership positions (top quintile and quartile)	– **Increased pay transparency:** This could include publishing clear pay bands for roles across organisations to ensure transparency and higher levels of standardisation during the salary negotiation process. – **Comprehensive gender pay gap analysis and adjusted pay structures:** This could include conducting regular audits to identify gaps and address disparities by adjusting pay structures accordingly, including through the standardisation of pay for higher paying roles.
Share of women promoted (top quintile and quartile)	– **Representation objectives in leadership:** This could include establishing specific and achievable targets for representation, and monitoring representation regularly. – **Mentorship and sponsorship programs:** This could include introducing structured mentorship programs pairing women with senior leaders.

175 WGEA, Australia's Gender Equality Scorecard: Key results from the Workplace Gender Equality Agency's Employer Census 2023-24, accessed 7 July 2025
176 WGEA, WGEA Employer Gender Pay Gaps Snapshot 2024, accessed 21 August 2025

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07

Exploratory analysis of intersecting diversity dimensions

A comprehensive intersectionality analysis could not be undertaken due to current limitations in data and information available. This section explores these data requirements and limitations and how selected demographic factors intersect with gender to produce differing experiences of the gender pay gap within certain population cohorts. The focus of this chapter is the intersecting dimensions of the gender pay gap for people born outside of Australia, those residing in Australia on different visa categories, and people with varying degrees of English language proficiency.

Background

Defining intersectionality

Intersectionality refers to how some people experience compounded discrimination due to multiple marginalising and interlinked characteristics, such as race, gender, religion, socio-economic status, sexuality, ability or disability.[177] The term was first coined by Kimberlé Williams Crenshaw in 1989, to talk about Black women's unique and specific experiences of discrimination in the United States of America (USA).

Since then, the framework of intersectionality has grown and evolved to be applicable to a variety of different contexts globally. While it is commonly used as a research lens, intersectionality can also be used as an approach to applying diversity and inclusion initiatives in workplaces and is beginning to be used in the design and implementation of health, social, and other public programs.[178,179,180,181]

As noted above, a complete intersectionality analysis could not be undertaken. However, for this report, intersectionality is used as a theoretical framework which is commonly used across the study of inequality in sociology and the broader social sciences, with increasing uptake in other disciplines, such as public health.[182,183,184] Organisations such as DCA have also conducted research to understand and provide guidance for the application of intersectionality in the workplace.[185,186]

177 Diversity Council Australia, Culturally and Racially Marginalised Women in Leadership, accessed 15 July 2025
178 Diversity Council Australia (Mapedzahama, M., O'Leary, J., and Laffernis, F.), Applying Intersectionality at Work, accessed 19 August 2025
179 Ghasemi, E. et al., Applying Intersectionality in designing and implementing health interventions: a scoping review, BMC Public Health, 16;21(1):1407, accessed 8 October 2025
180 Kelly, C. et al., 'Doing' or 'using' intersectionality? Opportunities and challenges in incorporating intersectionality into knowledge translation theory and practice, Int J Equity Health, 21;20(1):187, accessed 8 October 2025
181 State Government of Victoria, Applying intersectionality to Gender Equality Action Plans, accessed 19 August 2025
182 Choo, H. Y. and Ferree, M. M., Practicing Intersectionality in Sociological Research: A Critical Analysis of Inclusions, Interactions, and Institutions in the Study of Inequalities, Sociological Theory, 28(2), pp.129-142, accessed 8 October 2025
183 Abrams, J. et al., Considerations for employing intersectionality in qualitative health research, Social Science and Medicine, 258, accessed 8 October 2025
184 Bauer, G. R. et al., Intersectionality in quantitative research: A systematic review of its emergence and applications of theory and methods, SSM – population health, 14, accessed 8 October 2025
185 Diversity Council Australia, Culturally and Racially Marginalised Women in Leadership, accessed 15 July 2025
186 Diversity Council Australia, Intersectionality is essential to meaningful inclusion. Here's how to do it right, accessed 15 July 2025

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The experiences of economic inequality for women with additional marginalising characteristics is briefly explored in a limited number of Australian Government publications, such as in *A 10-year-plan to unleash the full capacity and contribution of women to the Australian economy,* the *Working for Women* Strategy, the *Women's Budget Statement 2025-26*, and in state publications such as the Victorian Commission for Gender Equality in the Public Sector's *Insights report: gender pay gap.*[187,188,189,190] Intersectionality remains an emerging analysis approach for economic equality in Australia.

To explore intersecting dimensions that influence the gender pay gap for culturally and racially marginalised (CARM) women, there are limited existing variables in the HILDA or ABS census datasets that directly capture cultural or racial marginalisation (beyond Aboriginal and/or Torres Strait Islander status). As such, country of birth, visa category, and self-assessed English language proficiency were explored as potential proxies for broader experiences of racism and/or xenophobia. The characteristics and forms of analysis provided in this section are not an exhaustive list of the ways that diversity dimensions can intersect and cause unique forms of marginalisation and compounded experiences of economic equality.

The findings provided in this section should be treated as directional rather than precise, illustrating general trends in the experiences of certain population cohorts with the gender pay gap rather than accurate statistical figures to be used for direct comparison. Further analyses would benefit from the collection of additional data and integration of directly comparable datasets and consistent methodologies to allow for greater comparability and accuracy.

Limitations to undertaking intersectionality analysis

The ability to conduct an intersectionality analysis in this report was limited by data constraints, such as scope of data collected, small sample sizes and inconsistent methodologies. To better address economic inequality, there is a pressing need for enhanced data collection that captures the diverse experiences of different population groups. This would enable more informed policy development and targeted interventions to reduce the gender pay gap and other forms of economic inequality.

Additionally, as this report is focused on the gender pay gap in Australia, this chapter is primarily concerned with the magnitude of the gender pay gap within certain population cohorts, rather than an exploration of compounding marginalisation on pay equity.

Scope of data and information collection in Australia

A comprehensive intersectionality analysis should explore people's experiences of marginalisation across a range of characteristics such as race, gender, religion, socio-economic status, sexual orientation, and disability, and how these experiences of compounded marginalisation may result in further inequality. The majority of these characteristics are not measured in population-representative formal data collection frameworks, limiting how intersectionality can be explored in relation to the gender pay gap in Australia.

Intersecting diversity data explored in this chapter

The intersection of gender with three diversity dimensions is explored in this report, namely: country of birth, visa category, and English language proficiency. The exploratory analysis of the dimensions outlined in this report is based on three distinct datasets with unique methodologies, population samples, data collection periods and limitations. It is important to note that the reliance on disparate data sources means that figures are not directly comparable due to differences in definitions, categories and measurement approaches. Crucially, data on country of birth is provided as an hourly gender pay gap (HILDA Wave 23 dataset) while migrant status and English language proficiency are presented as weekly gender pay gaps (ABS personal income dataset). These data points are controlled for differing variables and should not be directly compared. Furthermore, these figures do not align precisely with the broader analysis or data provided in other sections of the report.

187 Department of the Prime Minister and Cabinet, A 10-year-plan to unleash the full capacity and contribution of women to the Australian economy, accessed 19 August 2025
188 Australian Government, Priority area 3: Economic equality and security, accessed 15 July 2025
189 Commonwealth of Australia, Women's Budget Statement 2025-26, accessed 17 June 2025
190 State of Victoria, Commission for Gender Equality in the Public Sector, Insights report: gender pay gap, accessed 19 August 2025

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Specific limitations across the three dimensions explored are outlined below as an example of the current challenges in robustly analysing intersectional characteristics.

DIMENSION INTERSECTING WITH GENDER	DATA CHALLENGES
Country of birth	Country of birth data sourced from HILDA Wave 23 cannot be disaggregated beyond respondents who were born in Australia and those who were born overseas to limit the impact of any potential or actual sampling bias. This aggregation limits the ability to explore the full nuance of migrant marginalisation (e.g. the distinct experience of permanent skilled vs humanitarian visa holders), or the experience of Australian-born people marginalised on the basis of culture, race, or other characteristics (e.g. disability, LGBTQ+ status).
Visa category	The ABS personal income dataset available for different visa categories only provides data for migrants arriving after January 2000, an incomplete subset of the total migrant population. Data also represents annualised averages potentially resulting in a loss of granularity and integrity in the analysis.
English language proficiency	The ABS personal income by proficiency in spoken English dataset presents figures in weekly income brackets rather than a single average figure. The average income for each bracket is assumed as the median of the bracket, and a population mean calculated using the assumed bracket mean averages. The use of the median for each income bracket assumes that income within each bracket is evenly distributed around the median, which may not always hold true. Individuals earning closer to the upper or lower ends of a bracket may have a disproportionate impact on the true average, but this nuance is lost when using the median as a proxy.

Exploring intersecting dimensions

- The intersecting dimensions explored indicate that women from diverse backgrounds often experience compounded disadvantages, such as greater barriers to workforce participation and higher risks of economic insecurity. Exploratory analysis of these intersecting dimensions found that the gender pay gap exists across all cohorts considered, with women earning less on average than their male counterparts irrespective of their country of birth, migrant status or level of English language proficiency. However, the extent of the gender pay gap between men and women varies significantly across each cohort when women are compared against men of the same cohort.
- Non-Australian-born women face a gender pay gap that is three times larger than that experienced by Australian-born women.
- On average, skilled migrants experience a pay gap which is higher than the national average and double the gap experienced by humanitarian migrants.
- A narrower gender pay gap is observed in lower-income cohorts, including humanitarian migrants and non-English speaking groups. This is not, however, indicative of progress toward equality. Rather, it reflects a more level – although still uneven – distribution of economic hardship across both men and women in these groups, who are disproportionately concentrated in low-paying, insecure and precarious forms of employment with limited opportunities for career advancement.

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Country of birth

Exploratory analysis of the impact of country of birth on gender pay gaps found that, while women earn less on average than their male counterparts regardless of country of birth, the size of the hourly gender pay gap experienced by women born outside of Australia is more than three times higher than those born in Australia, at 14.7% relative to 4%.

Table 20: Indicative hourly gender pay gaps by country of birth

NATIONAL AVERAGE HOURLY GENDER PAY GAP BETWEEN WOMEN AND MEN	GAP BETWEEN AUSTRALIAN-BORN WOMEN AND AUSTRALIAN-BORN MEN	GAP BETWEEN NON-AUSTRALIAN-BORN WOMEN AND NON-AUSTRALIAN-BORN MEN
7.3%	4.0%	14.7%

Source: KPMG analysis of the HILDA Survey, Waves 2 – 23 (HILDA Survey)

In addition to the factors which directly contribute to the disadvantage faced by all women in the Australian workforce, women born outside Australia potentially face additional barriers including cultural biases in performance evaluation, discrimination, a lack of local networks and higher barriers to accessing promotions and ascending to leadership roles. The intersection of gender-based and migrant-based discrimination create a unique experience for women born outside of Australia in the workplace and potentially contributes to the higher gender pay gap experienced by this cohort.

Due to the data limitations discussed above, this comparison does not capture the nuance of marginalisation and privilege occurring within Australian-born and non-Australian-born cohorts. As a result, the larger gender pay gap experienced by non-Australian-born women is significant, but not necessarily entirely related to culture or race-based marginalisation. To undertake a more rigorous analysis of intersectionality, data that can be disaggregated by cultural background and/or race is needed, enabling a more accurate understanding of the experiences of culturally and racially marginalised women and the gender pay gap.

Visa category

Visa category plays a role in shaping experiences of gender pay gaps. Notably, the gender pay gap between men and women holding humanitarian visas is almost half the size of the pay gap relative to those holding permanent skilled visas. This likely does not indicate improved conditions for women in the humanitarian visa category, but the broad economic hardship and systemic barriers experienced in the workforce by both men and women across the humanitarian migrant cohort.

Table 21: Indicative weekly gender pay gap by visa category

NATIONAL AVERAGE WEEKLY PAY GAP BETWEEN WOMEN AND MEN	GAP BETWEEN WOMEN AND MEN ON PERMANENT SKILLED VISAS	GAP BETWEEN WOMEN AND MEN ON PERMANENT HUMANITARIAN VISAS
29%	30%	16%

Source: KPMG analysis of ABS (2024), Personal Income in Australia, by sex, visa group and applicant status (2021–22)

Note: These results are based on a different source and methodology from above and is not directly comparable to the HILDA data provided earlier in the analysis.

**These figures capture migrants arriving in Australia since January 2000.*[191,192]

191 ABS, Permanent migrants in Australia, accessed 19 August 2025

192 In ABS (2024), Personal Income in Australia, 'Migrants' refers to people who have arrived in Australia since January 2000. A separate dataset (ABS (2023), Permanent migrants in Australia) uses statistics from the Australian Census of Migrants Integrated Dataset (ACMID) to capture characteristics of permanent migrants in a similar time period, between 1 January 2000 and 10 August 2021. While these are separate datasets and not directly comparable, ACMID data provides an indicative understanding of the top countries of birth of migrants across different visa categories.

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A persistent weekly gender pay gap is also evident for women in the permanent skilled visa category, slightly higher than the national average pay gap between women and men. Research by the Centre for Economic Development of Australia (CEDA) indicates that wage outcomes for highly educated recent migrant women are poorer relative to Australian-born women.[193] The report attributes the key explanations of this increased gap to the level of English proficiency, explored later in this section under **English language proficiency,** and the younger age of many migrant women, which can serve as a proxy for experience, as discussed in **Section 4: Age**. Additionally, research by SSI suggests that other factors impacting economic participation and earnings for skilled migrant women may include cultural and gender norms, particularly around family and caring responsibilities, English language proficiency, and issues around the recognition of prior learning and qualifications.[194]

Analysis of ABS data suggests that the weekly gender pay gap between men and women on humanitarian visas is almost half the size of the weekly gender pay gap experienced across other migrant status categories. However, this narrower gap is not a cause for celebration. Rather than indicating improved earnings or working conditions experienced by women in this category, it reflects the lower overall earnings and economic marginalisation experienced by both men and women in this cohort relative to the broader Australian populace. For example, when compared to analysis in **Section 6: Pay gap across income levels,** the weekly earnings of men and women on humanitarian visas sits within the bottom quintile of earnings. In this quintile, the low pay gap may be attributed to Australian laws around minimum wage, and the standardising effects of industry awards and union membership in industries with lower pay.

These lower weekly earnings may capture the impact of compounded marginalisation due to both gender and forced displacement. This compounded marginalisation both directly exacerbates increased levels of economic inequality for humanitarian migrant women and may be a contributing factor to the persistent national gender pay gap.

English language proficiency

Exploratory analysis of the gender pay gap by level of English language proficiency suggests the percentage gap in earnings between men and women is relatively consistent across most cohorts, however, the size of the gender pay gap is approximately 5 percentage points lower in the non-English speaking cohort than the cohort that 'speaks English-only'. This is likely due to the non-English speaking cohort being over-represented in lower-paid and insecure forms of employment, such as gig economy work, cleaning, food services, factory work and aged care support roles.[195,196] As outlined above in the analysis for humanitarian visas, and in **Section 6: Pay gap across income levels**, those on lower income face lower gender pay gaps relative to higher paid income groups, often due to the participation in industries governed by standardised minimum wage or industry award requirements.

Table 22: Indicative weekly gender pay gap by level of English proficiency

SPEAKS ENGLISH ONLY	USES OTHER LANGUAGE AND SPEAKS ENGLISH VERY WELL	USES OTHER LANGUAGE AND SPEAKS ENGLISH WELL	USES OTHER LANGUAGE AND DOES NOT SPEAK ENGLISH WELL	USES OTHER LANGUAGE AND DOES NOT SPEAK ENGLISH AT ALL
24%	22%	24%	24%	19%

Source: KPMG analysis of ABS (2022), 2021 Census – Sex by total personal income (weekly) by proficiency in spoken English

Note: Averages calculated above are an imputed average from income banded data (see Section 7: Limitations of analysis for full details). These results are based on a different source and methodology from the HILDA and ABS data provided earlier in the analysis and are not directly comparable.

Individuals who report no English proficiency also face additional workforce barriers, including racial discrimination and exclusion from professional opportunities and networks.[197] These factors contribute to a general downward pressure on wages across this cohort which flattens the income differential between non-English speaking men and women. While both men and women in the non-English speaking cohort experience these structural and cultural disadvantages in the labour force, these challenges are further compounded for women who face the additional disadvantages associated with being a woman in the labour force.

193 Barker, A., and Tofts-Len, S., Making better use of migrants' skills, CEDA, accessed 20 August 2025
194 Batainah, H.S. et al., Untapped potential: trends and disparities in the economic participation of migrant and refugee women in Australia, NATSEM/Settlement Services International, accessed 9 October 2025
195 Australian Government | The Treasury, Working Future: The Australian Government's White Paper on Jobs and Opportunities. Ch 3 – Promoting job security and strong, sustainable wage growth, accessed 9 October 2025
196 WGEA, Gender equality and intersecting forms of diversity, accessed 24 July 2025
197 Diversity Council Australia, We need to talk about racism at work, accessed 24 July 2025

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Focus areas for interventions to reduce the gender pay gap

The exploratory analysis in this section shows that intersecting diversity factors such as place of birth, visa category, and language have observable effects on the gender pay gap.

These findings indicate a need to further explore the impacts of compounding marginalisation on women's economic outcomes through a comprehensive intersectionality analysis. Understanding the gender pay gap between culturally and racially marginalised women and non-culturally and racially marginalised men will provide more accurate focus areas for intervention against gendered racism that affect economic outcomes.

Based on the analysis in this report, suggested interventions may include addressing the influence of discrimination, racism, and xenophobia, as well as factors such as skills mismatch and language proficiency in workplaces on the gender pay gap. These are outlined in the table below.

Table 23: Examples of opportunities to address the gap

UNDERLYING DRIVER	EXAMPLE OF OPPORTUNITIES TO EFFECT CHANGE
Discrimination (including conscious and unconscious discrimination on the basis of characteristics such as race, religion, and disability)	– **Diversity focused recruitment and promotion policies:** This could include implementing inclusive processes and bias disruptors in promotion cycles to reduce unconscious bias and ensure appropriate representation.[198,199] – **Inclusive workplace policies:** This could include ensuring all facilities and processes meet the needs of employees from diverse backgrounds. This may include ensuring correct supports are in place for both religious and accessibility needs. – **Celebrate and value diversity:** Foster diversity and inclusion in the workplace. This could also include use of organisational maturity models and self-assessment tools and employee resource groups.[200,201] – **Mentorship and networking programs to boost social and relationship capital**: This could include establishing formalised access to sponsorship and networks, opening up access to executive coaching, and diversifying social events and activities.[202]
Skills mismatch	– **Recognition of prior learning and qualifications**: This could include organisational recognition of global qualifications to reduce barriers for migrant women in accessing jobs suited to their qualifications.[203]

198 Champions of Change Coalition, 40:40:20 For gender balance: Interrupting bias in your talent processes, accessed 26 August 2025
199 Diversity Council Australia, Inclusive Recruitment Tools, accessed 26 August 2025
200 Washington, E., The Five Stages of DEI Maturity, Harvard Business Review, accessed 26 August 2025
201 Australian Human Rights Commission, Workplace Cultural Diversity Tool, accessed 26 August 2025
202 For further detail on initiatives to boost social and relational capital for women from diverse backgrounds, please see 'Talent Lock & Key 3' (pg. 24-25) in Diversity Council Australia, Culturally and racially marginalised women in leadership, accessed 26 August 2025
203 Batainah, H.S. et al., Untapped potential: trends and disparities in the economic participation of migrant and refugee women in Australia, NATSEM/Settlement Services International, accessed 9 October 2025

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08

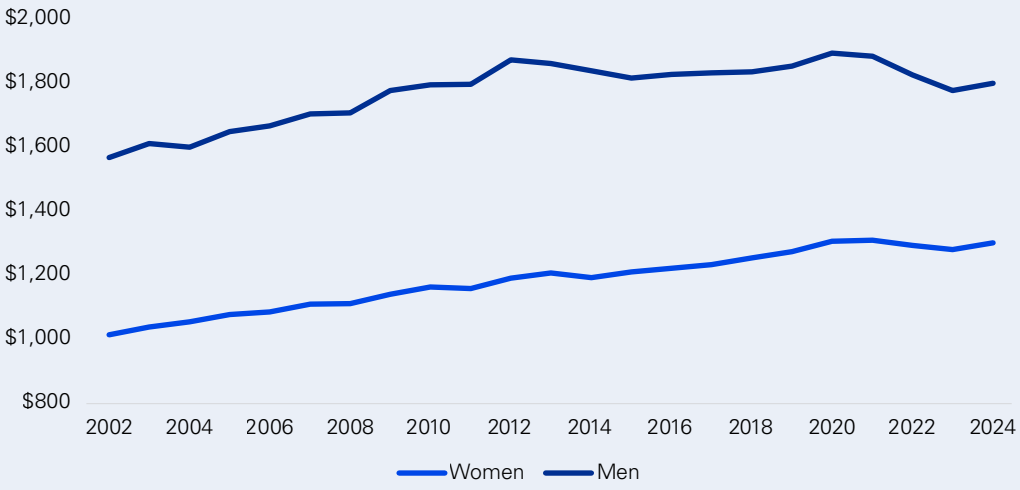
When might Australia eliminate the gap?

This section discusses the progress of Australia towards eliminating the gender pay gap, including identifying income growth rates by gender and the timeline to eliminating the gender pay gap based on current income growth trends.

Background

Historical Australian wages by gender show a trend of long-term ongoing real wage growth, with some stagnation, particularly in inflationary periods following the COVID-19 pandemic. As the chart below shows, Australian weekly earnings have grown steadily since 2002, with some short-term fluctuations in growth rates, particularly due to the COVID-19 pandemic. Across weekly earnings, women have generally experienced higher average income growth relative to men, particularly over the last 10 years.

Chart 27: Weekly earnings by gender



Source: ABS (2025), Average Weekly Earnings, Australia, May 2025 – Table 3.

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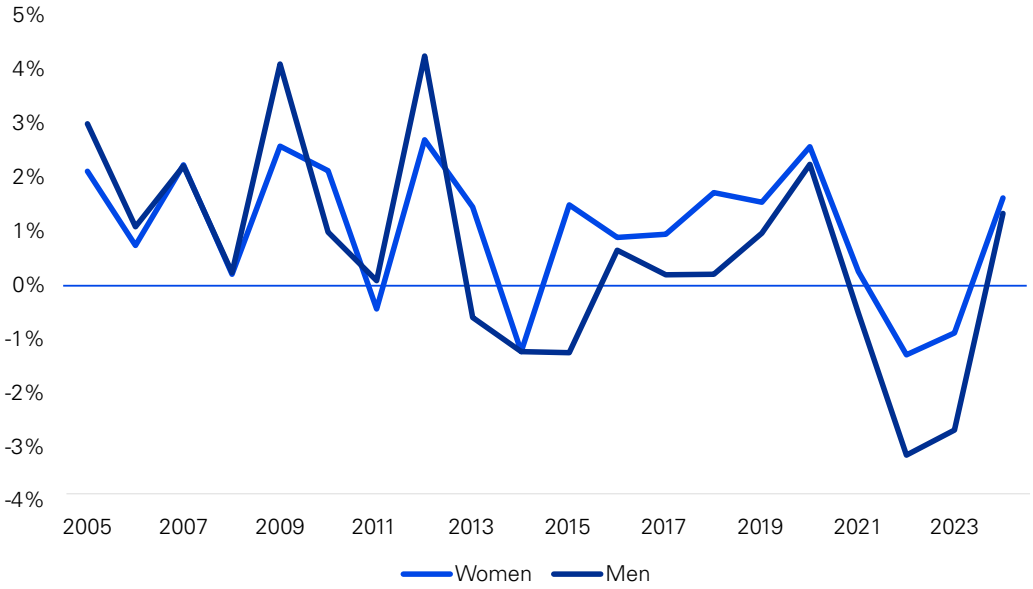
Chart 28: Weekly real earnings growth by gender (ABS)



Source: ABS (2025), Average Weekly Earnings, Australia, November 2024 – Tables 3

Method and limitations

To forecast the time taken to close the gender pay gap, ABS average weekly earnings data was used instead of HILDA data, as it captures the impact of policy and social changes on both hourly incomes and hours worked. ABS data is preferred for future projections as it is more recent, and better suited for macro-level, large-scale forecasting.

Average weekly earnings data was used to calculate the rate of growth in men's and women's wages. To focus results on the most recent trends, a geometric mean of growth rates was taken for the last 10 and 20 years. The calculated geometric mean was assumed to be the constant growth rate for weekly real income by gender. The difference between the forecasted real male and female wages was then taken and the percentage pay gap calculated as per **Section 3: Approach**.

This method of estimation relies heavily on the assumption that past income experiences of income by gender and income growth rates are representative of future income trends and will persist into the future. As such, unforeseen changes to the income experience can and will reduce the effectiveness of this forecast.

Finally, this forecast is limited by the constraints of a numerical time-series prediction that does not capture the nuance of the gender pay gap. In particular, the gender pay gap is influenced directly by policy choices, societal trends and many other sources of income and socio-economic change that cannot be numerically modelled with a high degree of confidence. As such, any forecast based on historical data cannot account for qualitative inputs, such as the future changes in policy and the impact of societal attitudes on gender-based pay outcomes.

Forecasts and implications

Using the above weekly income growth rates by gender, future income levels can be estimated based on the historical growth rates (noting the key assumption that any future income growth will reflect historical growth rates experience).

To capture the impact of policy choices and social influence over time, a geometric mean of income growth rates over the last 10 years and 20 years is used. This yields the following difference in growth rates:

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Table 24: Average weekly real income growth by gender and historical data included

MODELLING PERIOD	INCREMENTAL INCOME GROWTH RATE (FEMALE RELATIVE TO MALE)
Last 10 years (2015 to 2024)	1.1%
Last 20 years (2005 to 2024)	0.5%

Source: ABS 2025, Average Weekly Earnings, Australia, May 2025 – Tables 13a-13h

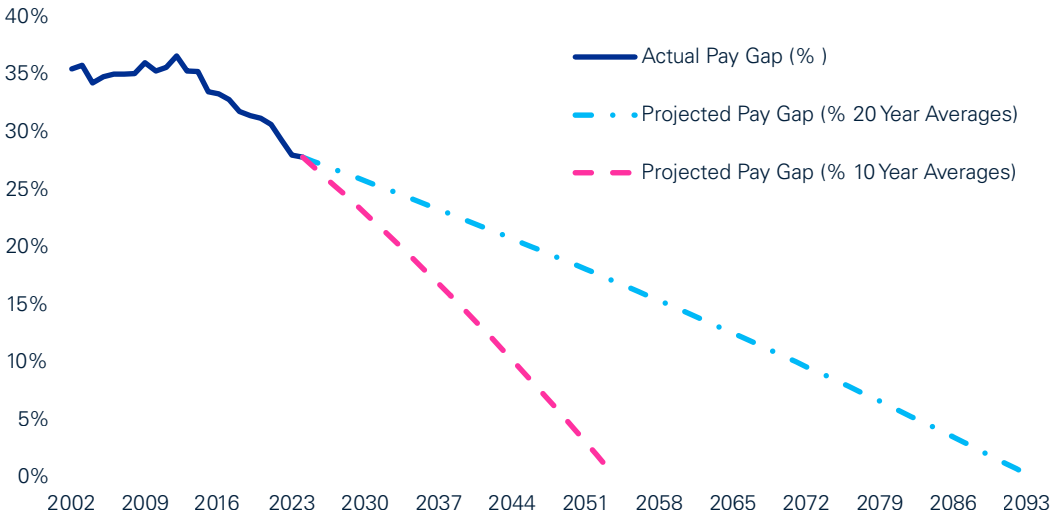
Using the fixed average income growth rates yields, the following forecast for when Australia is expected to eliminate the gender pay gap if historical trends continue:

Using the 20-year average income growth rates (2005 to 2024) predicts elimination of the gender pay gap in 2094

Using the 10-year average income growth rates (2015 to 2024) predicts elimination of the gender pay gap in 2054

This shows the impact of continuous investment and focus on policy choices, social attitudes and economic activity over the past 10 years has resulted in an increase in the rate of the gender pay gap closing, resulting in a shorter time to the anticipated elimination of the gender pay gap.

Chart 29: Weekly gender pay gap forecast using 10-year and 20-year average income growth rates



Source: ABS (2025), Average Weekly Earnings, Australia, May 2025, Table 3

Chart 29: Weekly gender pay gap forecast using 10-year and 20-year average income growth rates above shows an ongoing reduction in the gender pay gap for weekly income. Given this forecast is based on historical trends, this suggests that policy choices, economic conditions, and social attitudes are addressing labour force opportunities for women, particularly around labour force participation (as discussed earlier in this report). While improving, it is still crucial to note it will be almost three decades before Australia is expected to eliminate the gender pay gap, which requires ongoing policy interventions and social reform in line with or exceeding the impact of the last decade.

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Further, comparing the projected pay gap using average income growth rates for the last 10 years shows a faster timeline to elimination of the weekly gender pay gap when compared to using the last 20 years of income growth rates. This reflects the ongoing increase in female income growth rates relative to male growth rates, including during the COVID-19 pandemic period.

The ongoing increase in the rate of closing the gender pay gap can be associated with the introduction and uplift of a number of policy initiatives. Critically, the introduction of *WGE Act* in 2012, and the ongoing uplift in gender reporting requirements, along with increased government policy changes and a shift in social attitudes and gender work patterns, as discussed in **Section 2**, have all contributed to the improved rate of eliminating the gender pay gap in Australia.

Summary of focus areas for interventions to reduce the gender pay gap

For Australia to eliminate the gender pay gap before 2054 or 2094, based on analysis in this report, concerted action is required across the following key opportunity areas:

- Action on gender discrimination, care, family and workforce participation, and the type of job women may be influenced towards (see **Section 4: Drivers of the gender pay gap** – **Focus areas for interventions to reduce the gender pay gap** for further detail).
- Action on the drivers of the unique challenges and drivers of the gender pay gap by industry (see **Section 5: Industry analysis** – **Focus areas for interventions to reduce the gender pay gap** for further detail).
- Action on the escalating gender pay gap by pay level (see **Section 6: Pay gap across income levels** – **Focus areas for interventions to reduce the gender pay gap** for further detail).
- Action specifically targeted for women with additional marginalising characteristics (See **Section 7: Exploratory analysis of intersecting diversity dimensions – Focus areas for interventions to reduce the gender pay gap** for further detail).

Collectively, these areas and the analysis outlined in this report provide a robust evidence base for initiatives to address the gender pay gap.

Additional resources to support employers in developing action plans, strategies, and policies for addressing gender equality and the gender pay gap have also been developed by WGEA.[204] These guides may be used in conjunction with targeted action in the suggested focus areas and integrated into broader organisational gender equality policies and strategies.

204 WGEA, Take action: WGEA Employer Guides and Resources, accessed 26 August 2025

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Appendices

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Appendix A: Trends in drivers of the gender pay gap

This section provides additional information on the underlying trends in the significant drivers of the Australian gender pay gap identified in this study. Such trends are important to note from two perspectives. Firstly, many drivers are inherently gendered issues themselves (for example, type of job). Further, it is important to understand trends in the context of the relative importance of those factors to the gender pay gap.

Labour market rigidities

Additional gender influences

Gender discrimination can be overt or systemic in nature. The existence of more embedded and structural discrimination reflected in wage gap decomposition studies has remained systemic and fairly constant in the last two decades. As defined in the first *She's Price(d)less* report in 2009, 'systemic discrimination' refers to policies, practices or patterns of behaviour, which are absorbed into the institutions and structure of society, that create or perpetuate disadvantage for a particular group. Consistent with the 2009 report, research continues to find that the effect of this structural discrimination in the workforce contributes to gendered differences in returns to human capital endowments, including education, training and labour force experience. Many studies conclude that lower return to education and experience are indicative of discrimination in the workplace. For example, Langford (1995) found that 24% of the wage gap was a result of human capital differences, while 50–60% was due to employer discrimination.[205] The direct impact of gender discrimination on Australia's gender pay gap is explored in **Section 4: Drivers of the gender pay gap – Additional gender influences.**

The 2008 Senate Committee Report on the effectiveness of the *Sex Discrimination Act 1984* found that the Act had an impact on the most overt forms of sex discrimination but had lesser impact on systemic discrimination.[206] This is supported by the findings of the 2018/19 Global Wage Gap Report by the International Labour Organisation (ILO), which found that among high-income countries the gender pay gap is largely unexplained by labour market endowments, attributes and characteristics across all income groups.[207]

Factors such as vertical and horizontal occupational gender segregation, and the gender composition of the workforce in an enterprise, stand out as more significant causes. In Europe, for example, working in an enterprise with a predominantly female workforce can give rise to a 14.7% wage penalty compared to working in a similarly productive enterprise but with a predominantly male workforce.[208] The 2019 *A Quantum Leap for Gender Equality* report found that 'work performed by women is frequently undervalued either because it mirrors work which has traditionally been carried out by women in the home without pay or simply because it is work performed by women'.[209]

205 Langford, M., The Gender Wage Gap in the 1990s, Australian Economic Papers, Vol. 34 (64). pp. 62-85, accessed 9 October 2025
206 Standing Committee on Legal and Constitutional Affairs, Effectiveness of the Sex Discrimination Act 1984 in eliminating discrimination and promoting gender equality, Department of the Senate, accessed 9 October 2025
207 ILO, Global Wage Report 2018/19 What lies behind gender pay gaps, accessed 9 October 2025
208 ILO, A quantum leap for gender equality: for a better future of work for all, accessed 9 October 2025
209 ILO, A quantum leap for gender equality: for a better future of work for all, accessed 9 October 2025

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The Fair Work Commission has identified this as an issue of 'gender-based undervaluation', wherein 'work value is assessed with gender-biased assumptions which means the skill level of occupations, work or tasks is influenced by subjective notions about gender and gender roles in society. Skills of the job occupant are discounted or overlooked because of gender'.[210] The Fair Work Commission also acknowledges that key reasons of gender-based undervaluation in Australia include social norms and cultural assumptions, occupational segregation, weaknesses in job and work valuation methods, gender stereotypes, and historical legacies.[211]

The Fair Work Commission first made an Equal Renumeration Order in 2011 to support the increase of weekly rates for employed persons in the social, community, home care and disability services industry between 2012 to 2020.[212] While this Equal Renumeration Case was first sought on the basis of gender-based undervaluation, there was reluctance to establish a causal link between undervaluation and gender, including around the methodology used to estimate the wage undervaluation.[213]

More recently in April 2025, the Fair Work Commission delivered a decision on a gender-based undervaluation review of five priority awards in traditionally women-dominated industries – including the previously reviewed social, community, home care and disability industry – with provisional findings that undervaluations have taken place, and variations to be determined for the affected awards.[214] Alongside narrowing the gender pay gap, this ruling may play a role in establishing a precedent for addressing gender discrimination in the labour market into the future.

Care, family and workforce participation

Unpaid care and work

Unpaid labour includes forms of domestic work that are essential for household functioning but are not compensated financially, including cooking, cleaning, washing, childcare and household maintenance. For example, an Australian Government report found that when households were asked 'who plans/coordinates child activities?', 78% of responses were 'usually or always' a woman.[215] Not only are women more likely to be responsible for unpaid labour activities, such activities also occupy more of their time. Among those participants in the ABS Time Use Survey who recorded unpaid work activities (domestic, child/adult care, or volunteering), the average time spent per day was 4 hours and 31 minutes for women and 3 hours and 12 minutes for men.[216]

The disproportionately high burden of unpaid labour on women creates significant time constraints on women and places a downward pressure on participation in paid work and career advancement. It also increases the likelihood of women accepting part-time or insecure casual work to accommodate for household demands, which lead to fewer opportunities for career progression and often pay lower hourly rates.[217] This renders unpaid labour an inherently gendered issue which reinforces disadvantages impacting women's earning potential, career advancement and overall financial security.

Charts A-1 and A-2 demonstrate that there has been minimal change between August 2016 and August 2021 in the number of hours employed men and women spend on unpaid domestic work. Overall, women have continued to undertake a larger share of unpaid domestic work than men. In 2021, over a quarter of employed men did not undertake any unpaid domestic work in a week. This is significantly higher than the share of employed women reporting nil hours of unpaid work, at a rate of only 17.7%. At the other end of the spectrum, the increased domestic responsibilities of women are demonstrated by the fact that 27% of employed women report spending over 15 hours a week on unpaid domestic work, which includes 9.7% of women who fulfil these activities for over 30 hours a week. In comparison, only 10.3% of employed men spent over 15 hours in a week on unpaid domestic work, of which only 2.6% fulfilled unpaid responsibilities for over 30 hours.

210 Ross, I., President's statement: Occupational segregation and gender undervaluation, Fair Work Commission, accessed 3 July 2025
211 ibid.
212 Fair Work Ombudsman, Equal Remuneration Order in the Social, Community, Home Care and Disability Services Award, accessed 3 July 2025
213 Healy, J. and Kidd, M. P., Gender-based undervaluation and the equal remuneration powers of Fair Work Australia, Journal of Industrial Relations, 55(5), pp. 760-782, accessed 9 October 2025
214 Fair Work Commission, Gender-based undervaluation – priority awards review [2025] FWCFB 74 (16 April 2025), accessed 17 June 2025
215 Department of Prime Minister and Cabinet, National Strategy to Achieve Gender Equality | Discussion Paper, accessed 11 July 2025
216 Australian Bureau of Statistics, How Australians Use Their Time, accessed 26 September 2025
217 Victorian Council of Social Service, Rebalancing the load of unpaid care and work, accessed 26 June 2025

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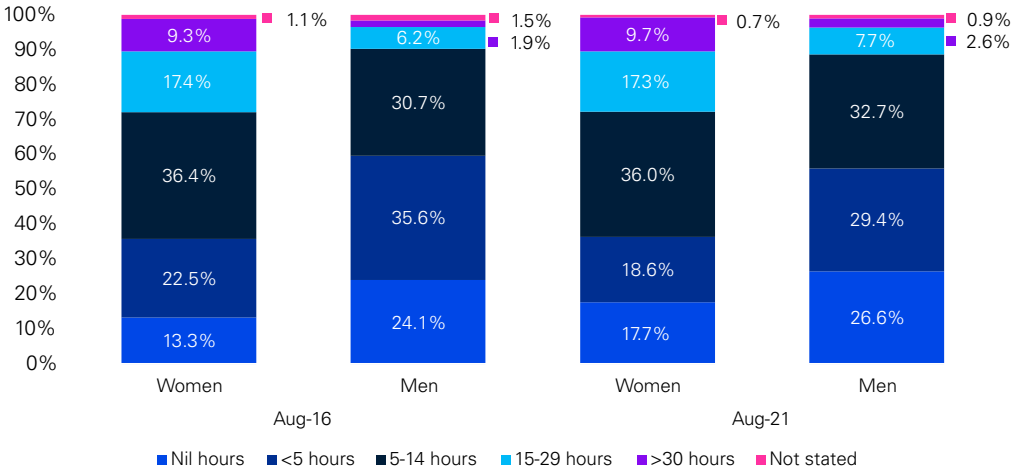
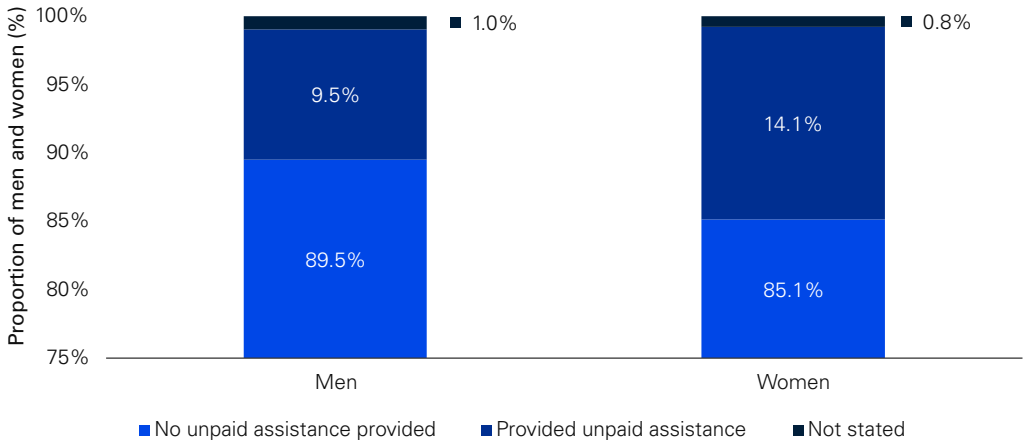
Chart A-1: Hours spent by employment type and gender on unpaid domestic work in the last week, 2016 and 2021



Source: ABS (2018), Census of Population and Housing: Reflecting Australia – Stories from the Census, 2016 – Employment; ABS (2022), Census of Population and Housing: Unpaid work and care data summary 2021

While less disparate, Chart A-1 demonstrates that in 2021, it was still more common for employed women to participate in providing some form of unpaid care assistance to those people with disability, chronic health conditions or older people than it is for employed men to do so. While 14.1% of employed women provided unpaid care and assistance to those with disability, health conditions or older age, only to 9.5% of employed men provide this type of unpaid care, with women playing an increased role in providing care to older adults. Further to this, Chart A-3 demonstrates that 35.8% women of employed women provided some form of unpaid childcare, compared to only 31.1% of employed men. While the forms of unpaid care referenced in Charts A-2 and A-3 can both be sole contributing factors to women's over-representation in part-time work, they can also overlap as women face the intersecting responsibilities of caring for older and younger family members, influenced by demographic factors such as longer lifespans, women giving birth later in life and young adult children staying at home longer may have contributed to the effects of the so-called 'sandwich generation'. In this situation, women may increasingly find themselves caring for their parents and their dependent children simultaneously. The disproportionate burden this could have on women's care responsibilities provides some reason as to their over-representation in part-time work.

Chart A-2: Unpaid assistance by employed persons to a person with a disability, health condition or due to old age



Source: ABS (2018), Census of Population and Housing: Reflecting Australia – Stories from the Census, 2016 – Employment; ABS (2022), Census of Population and Housing: Unpaid work and care data summary 2021

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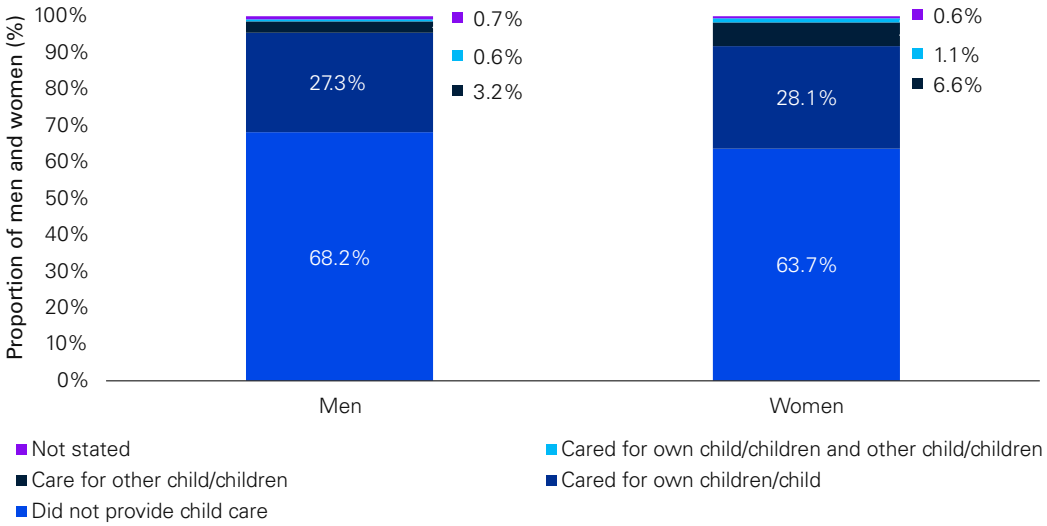
Chart A-3: Unpaid childcare by employed persons



Source: ABS (2018), Census of Population and Housing: Reflecting Australia – Stories from the Census, 2016 – Employment; ABS (2022), Census of Population and Housing: Unpaid work and care data summary 2021

In Australia, access to early childhood education and care is constrained not only by high costs but also by limited availability, particularly in regional and remote areas. According to the 2023 Australian Competition and Consumer Commission (ACCC) Childcare Inquiry, childcare fees have grown faster than inflation and wages, with increases of between 20% and 32% from 2018 to 2022, compared to an adjusted average of 6.2% for OECD nations.[218] The inquiry also found that in some regional communities, formal childcare options are entirely unavailable – this can lead to significant barriers for parents, especially women, to participate in paid work or pursue career advancement.[219]

While the introduction of a national Child Care Subsidy has meant that out-of-pocket expenses for many families have reduced, the high price of childcare in Australia remains a significant barrier to workforce participation, particularly for women. In particular, the income-tested structure of the subsidy means that as household income increases, the rate of the subsidy decreases, meaning families pay a greater share of increasingly inflated childcare costs out-of-pocket as income rises. This can lead to a dynamic wherein working additional hours or taking on higher-paid positions begins to produce a marginal or negative net financial benefit when increased childcare expenses are factored in.[220]

Part-time employment

The proportion of employed persons working part-time across age and gender categories is illustrated in Chart A-4. The data shows that unsurprisingly, there is a larger share of part-time work for both genders across younger and older cohorts. However, there is a significantly higher representation of women in part-time work in age groups ranging from the early 30s to the late 40s. This is likely associated with the care responsibilities women have for young families in this age bracket, which push them toward part-time work as opposed to full-time employment.

It is worth noting that the significant gender gap in part-time work that continues beyond age 50 suggests that women are still over-represented in part-time work even as their children mature. One reason for this continued disparity beyond ages 25 to 44 could be the increased role that women play in providing eldercare. Demographic factors such as longer lifespans, women giving birth later in life and young adult children staying at home longer may have contributed to the effects of the so-called 'sandwich generation'. In this situation, adults in their 40s and 50s may increasingly find themselves caring for their parents and their dependent children simultaneously. The disproportionate burden this could have on women's care responsibilities provides some reason as to why their over-representation in part-time work continues into retirement. The direct impact of part-time work on the gender pay gap is explored in **Section 4: Part-time employment**.

218 Australian Competition and Consumer Commission, Childcare Inquiry 2023, p.5, accessed 11 July 2025
219 ibid.
220 Melbourne Institute & Roy Morgan, Taking the Pulse of the Nation – April 2023, University of Melbourne, accessed 23 July 2025

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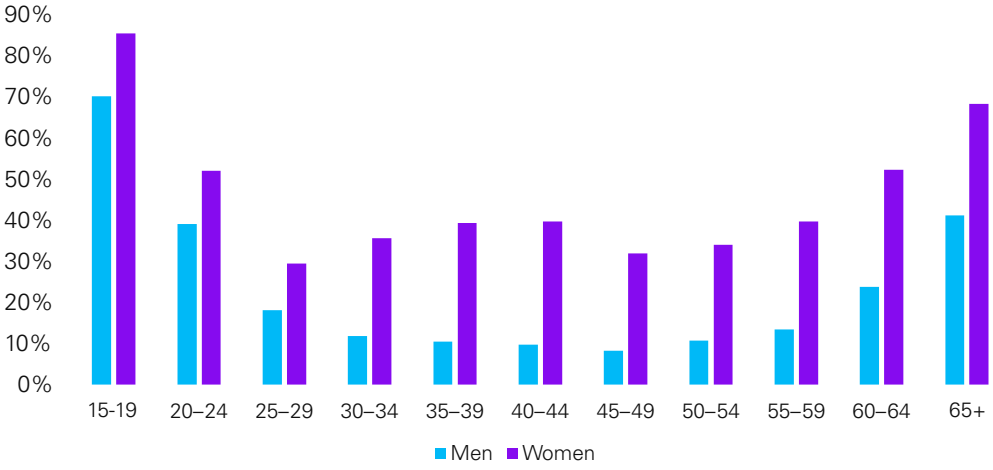
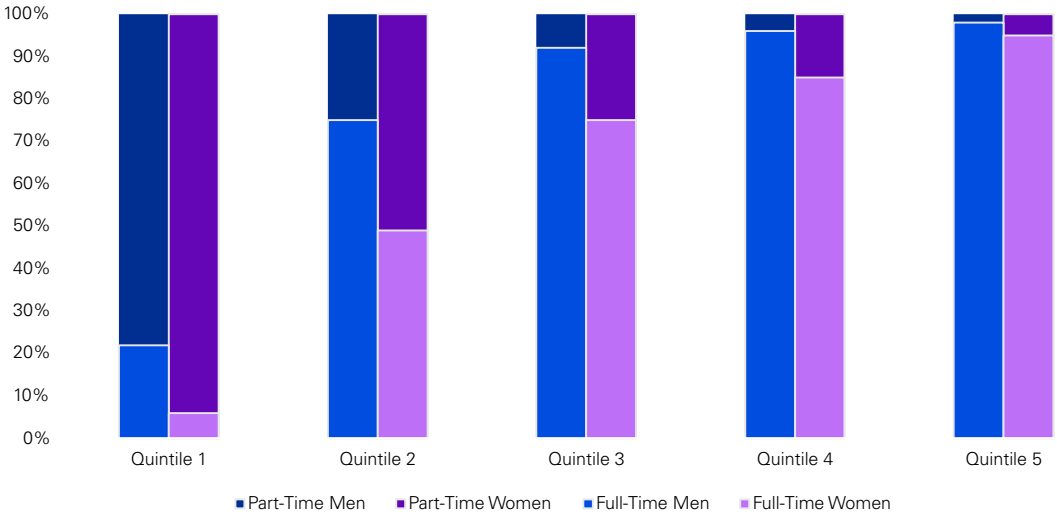
Chart A-4: Share of employed persons working part-time, by age and sex, May 2025



Source: ABS (2025), Labour Force, Australia, Detailed, May 2025 – Table 1: Labour force status by age, social marital status and sex

Chart A-5 demonstrates that not only are there greater shares of women working part-time by age, but they are also more highly represented as part-time workers across weekly income quintiles.

Chart A-5: Distribution of employed men and women in full-time and part-time work across weekly income quintiles, 2023



Source: KPMG analysis of the Household Income and Labour Dynamics in Australia (HILDA) Survey, Wave 23

Type of job

Type of job refers to the unequal distribution of women and men in certain jobs or industries. The direct impact of gender segregation between jobs predominantly held by men and those predominantly held by men on the gender pay gap is explored in **Section 4: Drivers of the gender pay gap,Type of job**.

The presence of industry and occupational gender segregation is a significant factor underlying the gender pay gap, particularly when women's employment is concentrated in lower-paid sectors, and where higher-paid occupations are men-dominated.

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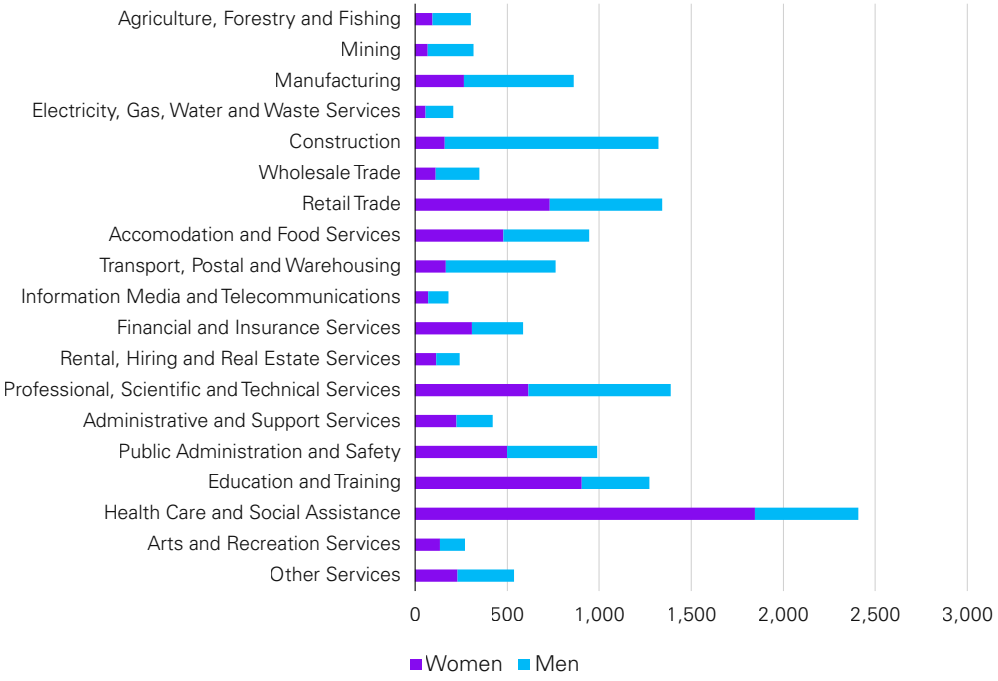
Chart A-6 below shows that in 2025, an array of higher paid sectors continues to be men-dominated (further information on wages is available at Appendix B) including the Transport, Postal and Warehousing, Construction, and Mining sectors. However, there has been a slight increase in women's participation in the Transport, Postal and Warehousing sector since the last iteration of this report, from 20.2% in December 2020 to 21.8% in May 2025. There has also been an increase in women's participation in the Mining sector in the same period from 17% to 21.5%.

As explored in Section 5, the Healthcare and Social Assistance, and Education and Training sectors continue to be women-dominated. These sectors traditionally attract lower incomes. While women's representation in the Healthcare and Social Assistance sector has markedly increased over the last decade, there has also been aslight increase in men's sector participation from 22.2% in December 2020 to 23.4% in February 2025.

Chart A-6: Number of persons employed by ANZSIC division ('000), May 2025



Source: ABS (2025), Labour Force, Australia, Detailed, May 2025 – Table 6: Employed persons by Industry sub-division of main job (ANZSIC) and Sex

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Chart A-7 provides a breakdown of occupation by gender. The chart shows that a number of occupations are highly gender segregated. For example, there is a higher proportion of managers, technicians and trades workers, machinery operators and drivers and labourers than women – these may be considered as 'men-dominated' occupations. Meanwhile, women-dominated occupations include community and personal service, clerical and administrative, and sales.

Men-dominated industries and occupations are often influenced by systemic gender norms and stereotypes shaping fields of tertiary and vocational study. These gendered social expectations and historical legacies in relation to the suitability of different occupations have influenced the extent to which multiple industries are men-dominated. In relation to university studies for example, women dominate fields of study related to health, education and society and culture, which lead to work in community and professional services.[221] Meanwhile men dominate fields of study related to architecture, building and engineering, which lead to occupations such as technicians, trades work and labour. Norms like this may steer individuals toward gendered education and career pathways, with men more likely to be encouraged into higher-paying, men-dominated fields such as construction, manufacturing, and STEM, while women are often guided toward caregiving, administrative, or service-oriented roles, which are traditionally undervalued and lower-paid.

Workplace stereotypes further reinforce these patterns, with men being perceived as better suited for management and technical roles, while women face biases in accessing men-dominated occupations, such as technicians and trades workers, machinery operators and drivers, and labourers. Additionally, cultural expectations around caregiving frequently lead women to prioritise flexible or part-time work, limiting their career options and perpetuating segregation. The high levels of gender segregation in certain occupations, the nature of leadership roles often being men-dominated and systemic pay disparities continue to reinforce the gender pay gap.

Different occupational categories are associated with varying rates of pay, with occupations dominated by women typically being lower paid. As shown in Chart A-7, in 2025, women were significantly over-represented in lower-paying roles such as community and personal service workers as well as clerical and administrative workers. Despite modest shifts in gender representation between December 2020 and May 2025, the overall gender composition of these occupations has remained relatively stable. Men's representation increased by 7.7% (or 2.3 percentage points) in the community and personal service workers category to 32%, and by 8.8% (or 1.7 percentage points) in the clerical and administrative workers category to 29% – however, these roles continue to be dominated by women.

By contrast, men remain significantly over-represented in high-paying occupational classes such as managers and technicians and trades workers. These men-dominated roles, which often offer higher wages and greater opportunities for career advancement, contribute disproportionately to men's higher average earnings. The persistent concentration of men in these high-paying occupations, combined with women's over-representation in lower-paying roles, highlights the enduring nature of gender segregated industries and occupations as a key driver of the gender pay gap. The wage differential attributable is substantial for both men-dominated and women-dominated industries, reflecting the structural impacts of gender discrimination and labour market stereotyping.

Chart A-7: Occupational segregation by gender ('000), May 2025

Source: ABS (2025), Labour Force, Australia, Detailed, May 2025 – Table 7: Employed persons by Occupation major group of main job (ANZSCO) and Sex

221 WGEA, Higher education enrolments and graduate labour market statistics, accessed 25 July 2025

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Education and skills differentials

The analysis proves the hourly gender pay gap is driven by additional gender influences, the longstanding devaluation of work traditionally performed by women, and the concentration of women in lower-paid industries and roles.[222] It should be noted that these discriminatory factors also affect men, especially when they face barriers to accessing parental leave or flexible working arrangements that would allow them to share in caregiving responsibilities.[223]

There are a number of systemic factors that influence differences in skills endowments which can contribute to the gender discrimination in the workplace and thus drive wage outcomes. The key factors are:

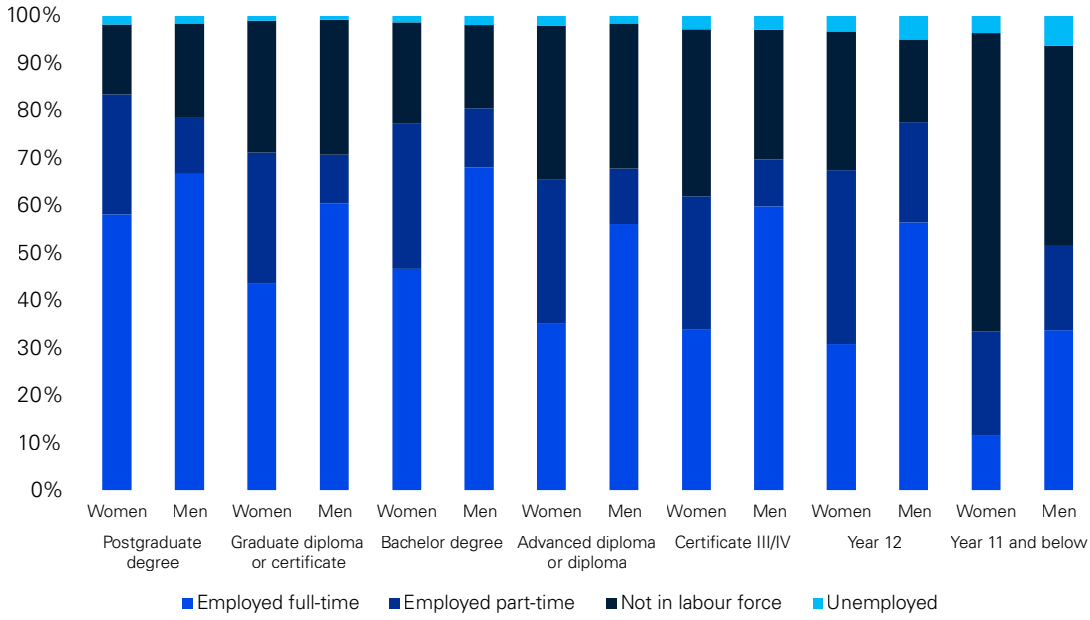
– education and labour market status
– work-related training
– work experience and career disruptions.

These issues are outlined in the subsections below.

Education and labour market status

A number of studies use differences in the employment rates between women and men with similar qualifications as an indicator of gendered returns to education. The chart below shows that across all levels of education, the share of women with full-time employment is lower than that of men with the same level of education. The gap is largest for women with lower levels of education. Higher levels of education attainment for women than men is contributing towards the long-term downwards trend in the gender pay gap.

Chart A-8: Gender comparison of labour status by highest educational qualification (2023)



Source: KPMG analysis of the Household Income and Labour Dynamics in Australia (HILDA) Survey, Wave 23

222 Victorian Equal Opportunity and Human Rights Commission and Industrial Relations Victoria, Equal pay matters: Achieving gender pay equality in small-to-medium enterprises, accessed 26 August 2025
223 ibid.

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Work-related training and adult learning

Work-related training and learning programs are also an important source of skills development. Data suggests, however, that participation in training and learning programs is decreasing over time. In 2020–21, only 42% of Australians aged 15 to 74 engaged in formal or non-formal learning, compared to 48.9% in 2005.[224] This highlights a decline in the uptake of training and learning programs to support skills development.

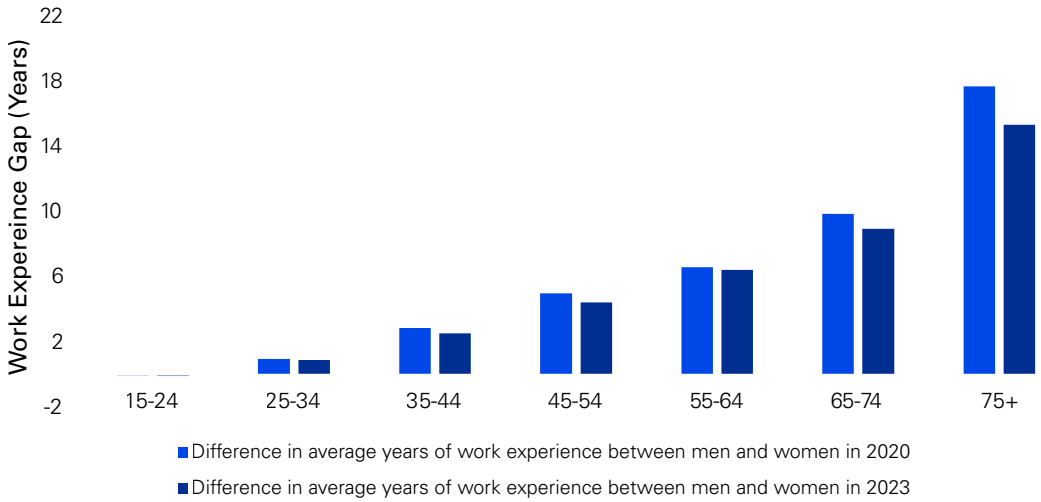
Despite these declines, women demonstrate higher overall participation in on-the-job training, with 33.4% of women participating compared to 27.4% of men.[225] This is notable given that on-the-job training is less accessible to those employed part-time or in lower occupational roles, groups where women are disproportionately represented.[226]

Work experience and career disruptions

In addition, the favourable effects that extended time spent in employment or tenure with an employer can have on career outcomes are often inaccessible to employees that have to take time out of the workforce. Along with on-the-job training, a sustained period in the same job role can unlock the acquisition of higher levels of firm-specific knowledge, expertise and skills that come with increased exposure to work responsibilities. Studies indicate that women's work time allocation continues to be disproportionately affected by the birth of a child, which necessitates choices to be made around caregiving that are highly constrained. This research suggests that transitions to parenthood can consolidate economic gender inequality, with findings that having a child increases the percentage of couples in men-as-breadwinner households, and decreases the percentages of couples in equal-earner households.[227,228,229]

Chart A-9 below indicates the difference in average years of work experience between men and women across all age groups. As women get older, the gap in years of experience increases significantly. Overall, across almost all age groups the gap in work experience has reduced between 2020 and 2023, likely reflecting the cultural and labour markets shifts that have occurred over time.

Chart A-9: Difference in average years of work experience for men and women by age (2020 and 2023) (Men – Women)



Source: KPMG analysis of the HILDA Survey, Waves 20 and 23

224 ABS, Work-Related Training and Adult Learning, Australia, 2020-21, accessed 9 October 2025
225 ibid.
226 ibid.
227 Argyrous, G., Craig, L., and Rahman, S., 'The Effect of a First Born Child on Work and Childcare Time Allocation: Pre-post Analysis of Australian Couples', Social Indicators Research, 131, p.831-851
228 Evertsson, M, 'The importance of work: Changing work commitment following the transition to motherhood', Acta Sociologica, 56(2), p.139-153
229 Steinbring, R., Perales, F., Baxter, J., and Lam, J., 'Taking the long view: Long-term couple earnings arrangements across the transition to parenthood', Australian Journal of Social Issues, 59(1), p.4-19

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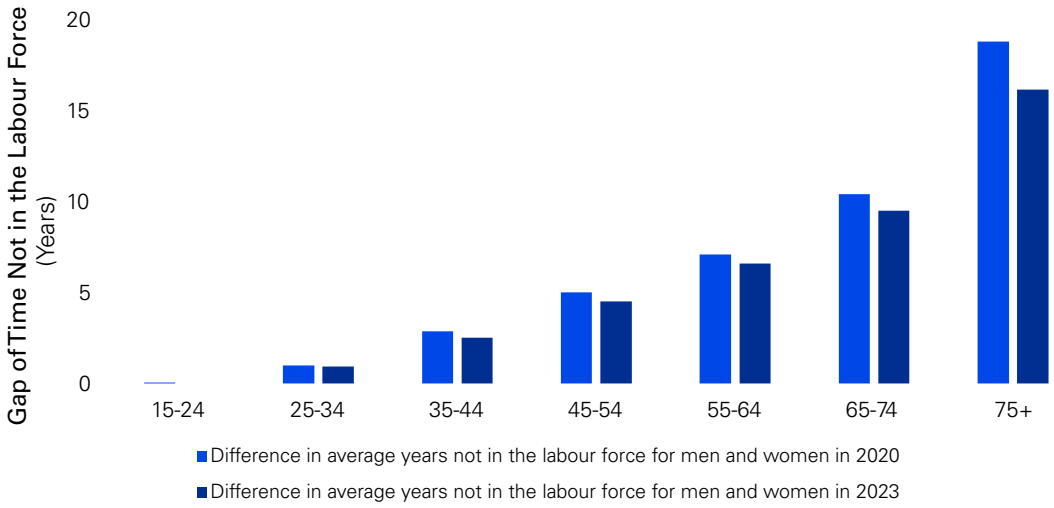
Chart A-10 shows that as the gap in work experience between women and men increases, so does the time spent out of the workforce. This supports the earlier statement that women tend to have fewer years of work experience due to more frequent career disruptions, although these disruptions have decreased between 2020 and 2023.

Chart A-10: Difference in number of years not in the labour force for men and women by age (2020 and 2023) (Women – Men)



Source: KPMG analysis of the HILDA Survey, Waves 20 and 23

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Appendix B: Industry analysis

Table B-1: Industry-by-industry analysis of all industries

INDUSTRY	SHARE OF EMPLOYMENT (ABS)		TOTAL YEARLY EARNINGS (ABS)		GROSS VALUE-ADDED (ABS)		MANAGEMENT GAP (WGEA)		PROMOTIONS GAP (WGEA)		WOMEN'S SHARE OF UNPAID WORK (HILDA)	
	2020	2024	2020	2024	2020	2024	2020	2024	2020	2024	2020	2023
National	100%	100%	$742.3	$1,049.4	$2,010.1	$2,604.3	10.6%	9.0%	1.6%	1.0%	65%	64%
Healthcare & Social Assistance	14%	16%	$105.6	$152.6	$154.0	$198.3	9.1%	7.1%	0.8%	-0.6%	63%	63%
Education & Training	9%	9%	$74.2	$106.0	$97.8	$116.2	11.0%	9.3%	-2.7%	-0.2%	66%	65%
Retail Trade	10%	9%	$48.1	$73.8	$86.4	$106.5	10.1%	6.3%	1.3%	-1.9%	62%	67%
Construction	9%	9%	$57.8	$79.1	$139.7	$175.2	5.1%	3.9%	-2.6%	-4.7%	65%	72%
Professional, Scientific & Technical Services	9%	9%	$75.0	$117.9	$144.6	$185.6	7.0%	5.0%	0.3%	-2.7%	67%	61%
Manufacturing	7%	6%	$54.4	$69.2	$113.7	$138.0	2.3%	1.8%	-7.3%	-4.3%	71%	69%
Accommodation & Food Services	6%	7%	$23.5	$38.5	$39.2	$57.1	8.3%	6.9%	-0.3%	-0.1%	66%	62%
Public Administration & Safety	7%	7%	$73.0	$99.5	$111.0	$130.5	-1.7%	-1.4%	-12.9%	-1.4%	63%	61%
Transport, Postal & Warehousing	5%	5%	$36.6	$52.8	$81.4	$115.4	-0.3%	-1.7%	-6.3%	-2.0%	68%	67%
Financial & Insurance Services	4%	4%	$44.0	$57.5	$153.6	$178.9	12.5%	9.8%	2.9%	0.4%	64%	68%
Administrative & Support Services	3%	3%	$17.0	$23.6	$62.1	$85.0	-0.8%	4.2%	-7.7%	1.3%	66%	62%
Other Services	3%	4%	$18.7	$26.9	$32.6	$40.5	8.6%	3.9%	-5.3%	0.1%	63%	70%
Wholesale Trade	3%	3%	$25.8	$31.2	$79.3	$96.0	11.9%	7.5%	-2.3%	-4.1%	68%	63%
Agriculture, Forestry & Fishing	3%	2%	$8.2	$9.3	$48.5	$70.8	14.5%	12.9%	-2.0%	-7.4%	71%	74%
Arts & Recreation Services	2%	2%	$8.9	$14.1	$15.0	$19.2	11.9%	8.4%	0.9%	-1.5%	68%	59%
Mining	2%	2%	$31.8	$39.5	$198.7	$352.1	-1.1%	-0.5%	-4.5%	-2.2%	65%	62%
Electricity, Gas, Water & Waste Services	1%	1%	$14.0	$23.9	$46.8	$48.5	1.5%	0.9%	-9.2%	-6.1%	59%	50%
Information Media & Telecommunications	2%	1%	$13.4	$16.7	$44.4	$54.6	5.0%	2.4%	-4.7%	-5.3%	51%	51%
Rental, Hiring & Real Estate Services	2%	2%	$12.3	$17.4	$56.2	$66.8	6.2%	3.5%	-1.2%	-6.7%	67%	52%

Women over-represented (61%+ employment of women)

Gender-balanced industry (41–60% employment of women

Men over-represented (61%+ employment of men)

Note: Management and promotion gaps have been calculated as women's representation in management positions or promotions, relative to women's participation in the industry. This calculation uses a combination of WGEA Workplace Profile and Workforce Management Statistics data. The share of housework is proxied by the average number of hours per week spent on housework by women relative to men. Total yearly earnings are calculated using mean weekly earnings, assuming 52 weeks worked. 2020 data is used for comparison in line with the 2022 report. Negative values indicate instances where women earn more than men. Sample sizes may affect the accuracy of results. Totals may not sum due to rounding.

Source: KPMG analysis of the Household, Income and Labour Dynamics in Australia Survey, Release 23, Wave 20 and 23 (HILDA Survey); KPMG analysis of ABS (2024), Labour Force, Australia, Detailed, 2024; ABS (2020), Labour Force, Australia, Detailed, 2020; ABS (2024) Distribution of Earnings by Employees by Industry August 2024; ABS (2020) Distribution of Earnings by Employees by Industry August 2020; ABS (2024) Australian National Accounts – Gross Value Add (GVA) by Industry 2024;ABS (2022) Distribution of Earnings by Employees by Industry August 2022; ABS (2020) Australian National Accounts – Gross Value Add (GVA) by Industry 2020

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Table B-2: Gender pay gap by industry

INDUSTRY	MALE WAGES (HOURLY)	FEMALE WAGES (HOURLY)	WAGE GAP ($)	WAGE GAP (%)	FEMALE PROPORTION IN INDUSTRY
National	$45.57	$42.26	$3.31	7%	48%
Healthcare & Social Assistance	$47.38	$44.31	$3.07	6%	77%
Education & Training	$50.45	$45.64	$4.82	10%	73%
Construction	$38.56	$44.62	-$6.06	-16%	14%
Retail Trade	$32.98	$30.67	$2.31	7%	54%
Professional, Scientific & Technical Services	$59.92	$48.22	$11.70	20%	45%
Manufacturing	$42.93	$38.49	$4.44	11%	25%
Public Administration & Safety	$56.75	$53.14	$3.61	6%	44%
Accommodation & Food Services	$26.51	$27.49	-$0.98	-4%	58%

Note: This calculation uses HILDA Wave 23 data. Negative values indicate instances where women earn more than men. The above table includes the 8 largest industries by HILDA samples size. Of these, in line with the 2022 report, 5 were selected for further analysis in Section 5. Sample sizes may affect the accuracy of results.

Source: KPMG analysis of the Household, Income and Labour Dynamics in Australia Survey, Release 23, Wave 23 (HILDA Survey)

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Appendix C: Detailed approach

This appendix provides supporting information to the discussion of the approach in Section 3.

Overview

Consistent with KPMG's 2009, 2016, 2019 and 2022 reports, this report applies the Walby and Olsen technique, tailored for the Australian context, and updated with 2025 HILDA data.

This approach was originally developed and applied in the UK. It estimates the factors that impact wages and simulates the changes that would arise if women's levels of these attributes were in line with men. The analysis assumes that wages are broadly equivalent to the value of a person's output.[230] The approach is documented across the following academic papers:

- Walby, S. (University of Leeds) and Olsen, W. (University of Manchester) 2004, *Modelling Gender Pay Gaps*
- Cassells, R., Vidyattama, Y., Miranti, R. and McNamara, J., National Centre for Social and Economic Modelling (NATSEM) 2009, *The Impact of a Sustained Gender Pay Gap on the Australian Economy*
- Watson, I., Australian Journal of Labour Economics 2010, *Decomposing the Gender Pay Gap in the Australian Managerial Labour Market.*

The underlying rationale of the methodology is that it attempts to isolate the impact of gender discrimination (the target variable) by simulating the hypothetical changes needed to bring women's levels of these variables in line with those of men,[231] while controlling for as many other known external factors on differences between equivalent male and female employee's pay as is practical within the constraints of available published data.

The Walby and Olsen approach was applied through three steps:

Table C-1: Walby and Olsen approach

STEP	DESCRIPTION
Likelihood of being in the labour force	The first step involves modelling the probability of selection into the labour force, based on a range of potential explanatory variables and addressing for selection bias.
Factors affecting hourly wages	Estimates the factors that affect the hourly wages earned by a person in the workforce. A number of potential explanatory variables were included. Further, this analysis controls for 31 variables, including (but not limited to) parental status, industry and educational attainment.
Decomposition of the gender pay gap	To estimate the effect of the gender differences on pay, and the implications of this for broader economic output, the methodology established by Walby and Olsen (2002) was used to break down the contributors of the gender wage gap and estimate the gross effect of each underlying factor on the wage gap. This makes it possible to estimate the change in earnings that would occur 'if women's conditions changed to reflect the best or the average situation among men' (Olsen and Walby, 2004, p. 66). For the 2026 Report, this step was updated to include an independent final regression to clarify and consolidate the impact of driver variables on income.

230 It is important to note that the implication is *not* that women are currently paid less than men because they are not as productive and is in no way a reflection on the current contribution or value of the work of women. Instead, wages are used as a substitute for productivity, which is widely recognised as an acceptable proxy. See Walby, S. and Olsen, W. (2002), The impact of women's position in the labour market on pay and implications for UK productivity. Report to Women and Equality Unit, pp. 18-20.

231 Olsen, W. and Walby, S., Modelling gender pay gaps, Working Paper No. 17, Equal Opportunities Commission (UK), pp. 24, accessed 9 October 2025

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The following sections discuss the data sources and steps taken to apply the above methodology.

Data

Overview – HILDA survey

KPMG used the 2023 wave of the HILDA Survey data to underpin the modelling in this study. The HILDA Survey is a household-based longitudinal survey which began in 2001 and is collected and published annually by the Melbourne Institute in conjunction with DSS.

HILDA comprises a sample of over 9,500 households and over 23,000 individuals, with interviews conducted annually with all adult members of each household followed over time to enable longitudinal analysis.[232] The HILDA Survey is a favourable source of data for this study due to the extent of the sample size and granularity of indicators collected, which include:

- labour force status and individual characteristics
- information on childcare and caring responsibilities for individuals
- family composition, including financially and non-financially dependent children (resident and non-resident), and information on labour force status of, and financial support from, the other parent
- employment history and status information, including on labour market interruptions
- information on working from home and other flexible workplace practices
- detailed information on employment status, and reasons why individuals may work part-time hours (e.g. family or personal responsibilities, preferences etc.)
- job satisfaction and likelihood individuals will quit or be dismissed
- employer industry, size, and characteristics
- educational history, current educational activities, and work-related training opportunities.

Variable extraction

Given the scale of the HILDA dataset and the targeted nature of this study, a structured approach to identify and extract the necessary variables was undertaken prior to developing the statistical model.

232 Summerfield, M. et al., HILDA User Manual – Release 20, Melbourne Institute, Applied Economic & Social Research, accessed 9 October 2025

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Using the variables referenced in the 2009, 2016, 2019, and 2022 KPMG reports as the basis, the following list of variables were identified and extracted.

Table C-2: Variables tested in the 2026 report

VARIABLE NAME	HILDA IDENTIFIER
Weekly Gross Income	_WSCEI
Gender	_HGSEX
Age	_HGAGE
Highest education level achieved including tertiary	_EDHISTS
Highest non-tertiary education achieved	_EDHIGH1
Marital status	_MRCURR
Number of 0–4-year-old children	_HH0_4
Number of 5–9-year-old children	_HH5_9
Number of 10–14-year-old children	_HH10_14
Years of work experience	_EHTJB
Whether employed on a casual basis	_JBCASAB
Whether employed part-time	_ESDTL
Tenure with current employer in years	_JBEMPT
Usual hours of work in all jobs per week	_JBHRUC
Total time not in the labour force	_EHTO
Total time unemployed	_EHTUJ
Entitlement to paid maternity/paternity leave	_JOWPPML
Employer type (government vs private)	_JBMMPLY
Whether part of a union	_JBMTABS
Size of industry	_JBMEMS2
Satisfaction with flexibility of work arrangements	_JBMSFLX
Industry	_JBMI61
Industry segregation index	_JBMI62
Occupation	_JBMO61
Occupation segregation index	_JBMO62
Hours of on-the-job training received last year	_JTTHRS
Whether promoted at work last year	_LEPRM
Hours of housework performed per week	_LSHRHW
HILDA weighting	_HHWTRP
Country of birth	_ANBCOB
Whether the respondent has a long-term health condition	_HELTH
Whether the respondent has poor health	_GH1
Percent of time spent in full-time education last financial year	_CAPEFT
Percent of time spent in part-time education last financial year	_CAPEPT
Number of years since left full-time education	_EHTSE

In the 2022 report, analysis was also done to consider new variables added to the 2020 iteration of the HILDA survey, specifically in relation to the COVID-19 pandemic. These variables were removed for the 2026 report due to HILDA no longer reporting on the variables and insignificance in previous modelling.

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Construction of model variables

Once key variables were extracted, an Excel 'data dictionary' was then constructed to inform the model on how to interpret certain variables where the raw survey response cannot be directly applied.

For example, the raw response for the variable 'Age' can be directly applied as the response is in the form of a whole number, while the raw response for the variable 'Employer Type' contains a mixture of numbers and words and requires the use of a data dictionary to translate into a format compatible with the modelling application.

Within the construction process, a number of composite variables were created using data from the HILDA survey and other sources such as the ABS Labour Survey. The table below provides further details on the approach to construct each composite variable, as well as mapping of the final list of variables.

Table C-3: Construction of model variables

VARIABLE NAME	CONSTRUCTED	CONSTRUCTION RATIONALE	VARIABLE MAPPING
Gender	No	N/A	Mapping not needed
Age	No	N/A	Mapping not needed
Age squared	Yes – multiplied every age data point by itself	This is standard practice in undertaking regression to model more accurately the effect of age.	Mapping not needed
Industry Segregation	Yes – using HILDA variable _JBMI62 with ABS labour force data	This index uses the proportion of male employed persons per 100 employed persons as a proxy to quantify the extent of gender segregation with Australian industries.	Against each Australian and New Zealand Standard Industry Classification (ANZSIC) code, classified as men-dominated (greater than 60% men), women-dominated (less than 40% men) or gender balanced.
Occupation Segregation	Yes – using HILDA variable _JMBO62 with ABS labour force data	This index uses the proportion of male employed persons per 100 employed persons as a proxy to quantify the extent of gender segregation within specific occupations.	Against each Australian and New Zealand Standard Occupation Classification (ANZSOC) code, classified as men-dominated (greater than 60% men), women-dominated (less than 40% men) or gender balanced.
Satisfaction with work flexibility arrangements	No	N/A	This is a control variable. Dummy variable = 1 for all firm size responses
Union membership	No	N/A	This is a control variable. Dummy variable = 1 if union member
Education	Yes – using HILDA variables _EDHISTS and _EDHIGH1	This index converts categorical highest level of education into numerical	Mapped to expected years of education by qualification
Marital Status	No	N/A	Dummy variable = 1 if married or de facto
Number of 0–4-year-old children	No	N/A	Mapping not needed
Number of 5–9-year-old children	No	N/A	Mapping not needed

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VARIABLE NAME	CONSTRUCTED	CONSTRUCTION RATIONALE	VARIABLE MAPPING
Number of 10–14-year-old children	No	N/A	Mapping not needed
Country of Birth	No	N/A	Dummy variable = 1 if born in 'Other' or 'Main English Speaking'
Whether the respondent has a long-term health condition	No	N/A	Dummy variable = 1 if has long-term health condition
Whether the respondent has poor health	No	N/A	Dummy variable = 1 if has fair or poor health condition
Percent of time spent in full-time education last financial year	No	N/A	Mapping not needed
Percent of time spent in part-time education last financial year	No	N/A	Mapping not needed
Number of years since left full-time education	No	N/A	Mapping not needed
Years of work experience	No	N/A	Mapping not needed
Whether employed part-time	No	N/A	Dummy variable = 1 if employed part-time
Whether employed on a casual basis	No	N/A	Dummy variable = 1 if casually employed
Tenure with current employer in years	No	N/A	Mapping not needed
Usual hours of work in all jobs per week	No	N/A	Mapping not needed
Usual hours of housework per week	No	N/A	Mapping not needed
Number of years not in the labour force	No	N/A	Mapping not needed
Number of years unemployed	No	N/A	Mapping not needed
Entitlement to paid maternity/paternity leave	No	N/A	Dummy variable = 1 if employee entitled to maternity leave in current job
Number of on-the-job training hours completed per week	No	N/A	Mapping not needed
Employer Type	No	N/A	Dummy variable = 1 if employer is government business enterprise, commercial statutory authority, other government organisation, private sector not-for-profit, or other non-commercial organisations
Hourly gross income	Yes – using HILDA variables _WSCEI and _JBHRUC	Weekly gross income divided by weekly total number of hours worked	Mapping not needed

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Step 1 – Addressing selection bias in the likelihood of an individual being in the labour force

Overview

Selection bias is a common challenge when drawing insights from survey responses. It is the notion that the sample (individual or group) could be selected in a way that proper randomisation is not achieved, as such does not provide an appropriate representation of the underlying population, and by association any inference drawn from the sample may lead to erroneous conclusions.

As such, it is important that a correction process is undertaken to minimise the impact of sample selection bias. KPMG has opted to apply the Heckman technique to correct this potential bias within the sample, this approach is underpinned by a pair of equations, explained in more detail below.

Equation estimated

The first equation had as the dependent variable a dummy variable equal to one if the person (of working age) was employed full or part-time, and equal to zero otherwise. The specification of the equation is given by

$$\Pr(emp_i=1|Z)=\Phi(Z\gamma) \qquad (1)$$

Where emp_i is the employment dummy variable, Z is a vector of explanatory variables, Z_γ is a vector of unknown parameters, and Φ is the cumulative distribution function of the standard normal equation.

After the employment equation was estimated, the Inverse Mills Ratio, λ, was obtained by using the regression equation results to calculate the employment probability for every individual in the sample. This variable is included in the second stage to correct for self-selection into or out of employment.

Variable selection

Our approach in estimating the employment equation is consistent with previous studies and the underlying methodology, whereby a number of HILDA variables were selected via a generalised linear model following with a non-zero weekly gross income as the response variable, using a binomial distribution with a probit link function, to form the vector of explanatory variables.

In addition to the above, an approach to apply the HILDA to Australian population weighting was confirmed with The Melbourne Institute of Applied Economics and Social Research and applied in this test.

The following table outlines the variables used in the employment equation.

Table C-4: Employment equation variables

VARIABLE NAME
Gender
Age
Age squared
Highest education level achieved including tertiary
Highest non-tertiary education achieved
Marital status
Number of 0–4-year-old children
Number of 5–9-year-old children
Number of 10–14-year-old children
Country of birth
Whether the respondent has a long-term health condition
Whether the respondent has poor health
Percent of time spent in full-time education last financial year
Percent of time spent in part-time education last financial year
Number of years since left full-time education
Years of work experience
Years of work experience squared
HILDA weighting

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Results and diagnostics

The following table outlines the diagnostic table of the GLM, and shows that the variables selected to estimate the likelihood of a respondent being employed are statistically significant, i.e. p-value of less than 0.05.

Table C-5: Employment equation results

	ESTIMATE	STD. ERROR	Z VALUE	PR(>|Z|)
(Intercept)	-3.51387	0.124097	-28.3156	2.22E-176
Gender	-0.02557	0.02486	-1.02874	0.303603711
Age	0.109176	0.006385	17.09917	1.51E-65
Age squared	-0.00182	6.63E-05	-27.4386	9.49E-166
Highest education level achieved including tertiary	0.124291	0.009391	13.23583	5.45E-40
Highest non-tertiary education achieved	0.091898	0.007682	11.9627	5.57E-33
Marital status	0.028746	0.02951	0.974108	0.330002934
Number of 0–4-year-old children	-0.30402	0.02471	-12.3033	8.69E-35
Number of 5–9-year-old children	-0.12324	0.024603	-5.00921	5.47E-07
Number of 10–14-year-old children	-0.04595	0.022527	-2.03996	0.041353893
Country of birth	-0.00625	0.03425	-0.18254	0.855160097
Whether the respondent has a long-term health condition	-0.35271	0.029374	-12.0075	3.25E-33
Whether the respondent has poor health	-0.20093	0.035938	-5.59091	2.26E-08
Percent of time spent in full-time education last financial year	-0.00035	0.000521	-0.67544	0.499394834
Percent of time spent in part-time education last financial year	0.002399	0.000664	3.615272	0.000300033
Number of years since left full-time education	-0.0143	0.003854	-3.70889	0.000208172
Years of work experience	0.039768	0.00349	11.39539	4.41E-30
Years of work experience squared	0.000228	7.23E-05	3.146151	0.001654346
HILDA weighting	-2.57E-05	8.39E-06	-3.06484	0.002177847

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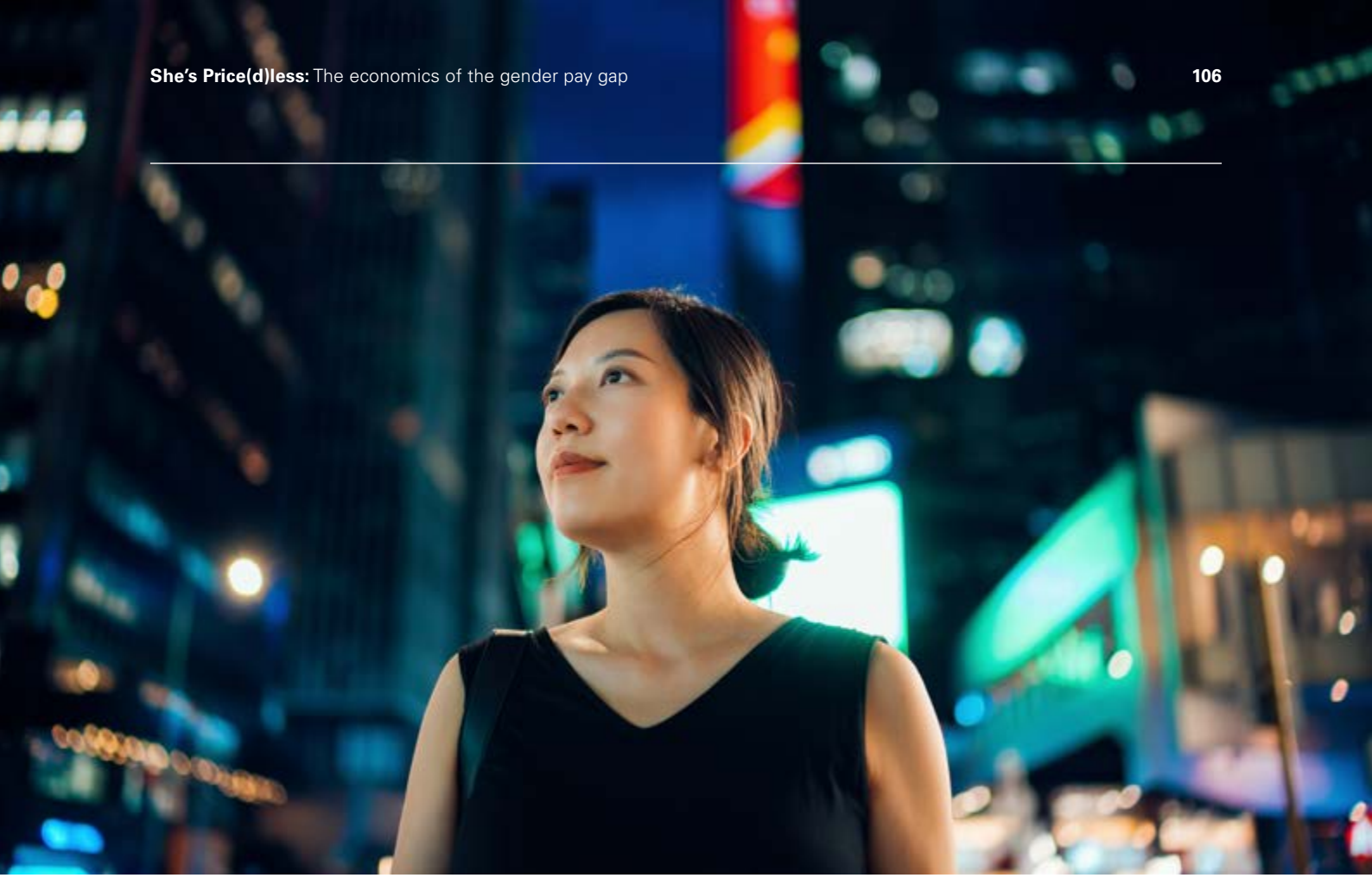

Step 2 – Factors affecting hourly wages

Overview

Once the first equation is estimated, the Inverse Mills Ratio (IMR) is calculated for the vector of explanatory variables, designed to be included as an independent variable to correct for underlying sample selection bias. The IMR is then included in the vector of explanatory variables in the second step of two-step approach, to estimate the variables with a significant relationship with the hourly wage.

Equation estimated

The second step of the process involves estimating the wage equation. Here the dependent variable is the log of the hourly wage rate. The wage equation may be specified as:

$$w^* = X\beta + u \qquad (2)$$

where w* is an underlying wage offer, which is not observed if the individual does not work.

The conditional expectation of wages given the person works is, as such, given by:

$$E[w \mid X, D = 1] = X\beta + E[u \mid X, D = 1] \qquad (3)$$

based on the assumption that the error terms are jointly normal, the wage equation is expressed as:

$$E[w \mid X, D = 1] = X\beta + \rho\sigma_u\lambda(Z\gamma) \qquad (4)$$

Where ρ is the correlation between unobserved determinants of the propensity to work, ε, and unobserved determinants of wage offers u, σ_u is the standard deviation of u, and λ is the Inverse Mills Ratio evaluated at Z_γ.

If the IMR is not statistically significant, as in this case, 'one can conclude that the selection bias is not an important issue and modelling the earnings can proceed without the need for including the correction term'.[233]

233 Watson, I., Decomposing the Gender Pay Gap in the Australian Managerial Labour Market, Australian Journal of Labour Economics, 13(1), p. 44-79, accessed 9 October 2025

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Variables tested

The second GLM used is of negative binomial distribution with a log link function, and it is intended to estimate the effects of each explanatory variable on the hourly wage.

The following table outlines all variables tested as part of this GLM.

Table C-6: Model variables tested

VARIABLE NAME
Gender
Age
Age squared
Highest education level achieved including tertiary
Highest non-tertiary education achieved
Marital status
Number of 0–4-year-old children
Number of 5–9-year-old children
Number of 10–14-year-old children
Years of work experience
Years of work experience squared
Whether employed on a casual basis
Whether employed part-time
Tenure with current employer in years
Usual hours of work in all jobs per week
Total time not in the labour force
Total time unemployed
Entitlement to paid maternity/paternity leave
Employer Type (government vs private)
Whether part of a union
Number of people employed at locations throughout Australia
Satisfaction with flexibility of work arrangements
Industry
Industry segregation index
Occupation
Occupation segregation index
Hours of on-the-job training received last year
Whether promoted at work last year
Hours of housework performed per week
Inverse Mills Ratio derived from the employment equation
HILDA weighting

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Results and diagnostics

The following table outline the diagnostic table of the GLM. This regression was used to inform variable selection in Section 4, along with maintaining consistency with the 2022 report, statistical significance and clarity of impact on income. GLM model tuning was also considered to refine the GLM, however, the same theta (0.8) was retained for consistency and comparability with historical results.

Table C-7: GLM model results

	ESTIMATE	STD. ERROR	T VALUE	PR(>|T|)
(Intercept)	1.52899	0.786253	1.944654	0.051846
Gender	0.09851	0.018809	5.237298	1.66E-07
Age	0.047611	0.006912	6.888358	6.00E-12
Age Squared	-0.00043	0.000106	-3.99509	6.52E-05
Highest education level achieved including tertiary	0.016948	0.010535	1.608728	0.107709
Highest non-tertiary education achieved	0.07574	0.006049	12.52071	1.10E-35
Marital Status	0.066397	0.018783	3.535027	0.00041
Kids Aged 0–4	0.067216	0.019269	3.488263	0.000488
Kids Aged 5–9	0.039874	0.016039	2.486088	0.012933
Kids Aged 10–14	-0.01271	0.014152	-0.89808	0.369164
Work Experience	-0.00412	0.002999	-1.37541	0.169036
Work Experience Squared	7.22E-05	7.35E-05	0.981806	0.32622
Employed casually	-0.02887	0.023657	-1.22051	0.222302
Employed part-time	-0.10376	0.027133	-3.8241	0.000132
Tenure with current employer (years)	0.003178	0.001144	2.77715	0.005495
Usual hours of work in all jobs (per week)	-0.0104	0.000982	-10.5896	4.65E-26
Total time not in the labour force	-0.00885	0.002886	-3.06822	0.002159
Total time unemployed	-0.03497	0.005486	-6.3739	1.93E-10
Entitled to paid maternity/paternity leave	0.071189	0.017645	4.034454	5.52E-05
Employed in government or non-government organisation	-0.02252	0.020172	-1.11652	0.264226
Union member	0.012109	0.022256	0.54408	0.586399
Number of people employed at locations throughout Australia	-0.02751	0.071388	-0.38531	0.700019
Satisfaction with flexibility of work arrangements	0.006979	0.021144	0.330091	0.741338
Current main job industry	-0.16161	0.081096	-1.99286	0.046305
Index of industrial segregation	0.143139	0.046635	3.069312	0.002152
Occupation	0.215257	0.744969	0.288947	0.772628
Index of occupational segregation	0.040209	0.043803	0.917943	0.358672
Hours of on-the-job training	0.006793	0.002752	2.468535	0.013584
Promoted at work last year	0.027589	0.024029	1.148123	0.250947
Housework hours	-0.00117	0.000432	-2.69905	0.006966
Inverse Mills Ratio (IMR) derived from the employment equation	-0.04382	0.073452	-0.59653	0.550837
HILDA weighting	6.06E-07	5.30E-06	0.114286	0.909014

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Step 3 – Decomposition of the gender pay gap

Overview

The purpose of the decomposition step is to estimate and isolate the effects of selected variables on the gender pay gap.

A number of factors need to be taken into account when considering the most appropriate decomposition technique, two examples of this include:

- **Feedback effect**: where pre-labour market characteristics may come into play, including the different choices of education, career, family and market participation between men and women.
- **Policy relevance**: components of the wage gap should have practical policy relevance, to better inform and support policy responses to address the gender pay gap going forward.

In earlier iterations of the report, the regression specification included a broad set of variables. For improved isolation of variable influence, an independent regression with a more focused set of variables was used for the 2026 report. These were selected by considering alignment with past reporting, statistical significance, and the removal of collinear variables. The specification was also designed to ensure coverage of relevant policy levers and economic conditions so that the decomposition provides a balanced attribution of the pay gap to driver factors.

A number of decomposition techniques were considered as listed in **Section 3: Background** of this report. Given the objectives of this study, the Walby and Olsen technique was selected, with the outputs generated from the independent regression used to attribute the influence of selected factors on pay.

Approach

The Walby and Olsen technique was selected due to a number of key reasons, including:

- it allows key factors of policy relevance to be brought into the limelight, while pushing control variables into the background
- it minimises the effects of offsetting factors which are not centrally relevant
- it highlights the gender linked factors (including discrimination) component of the pay gap, and enables comparison of this component with other components of gender pay gap.[234]

In an example, in 2023 the mean years of tenure with their current employer for women was 6.1 years and for men this was 7.0 years. As such, an increase of 0.9 years of tenure would be required in order to bring women's years of tenure in line with the level of men. This extra 0.9 years of tenure is then multiplied by the corresponding coefficient (reward) for every extra year of tenure, which according to the GLM undertaken in Step 2 is 0.00318 (0.4%). This gives a simulated effect of 0.00275 (0.9*0.00318). This means that if women had the equivalent average amount of tenure as men, their wage rate would increase by 0.00275 (0.3%).

The updated regression specification was developed with these objectives in mind. A wide initial set of explanatory variables was reviewed and then refined down to a smaller group that better captures gender-linked differences in pay. This refinement involved:

- excluding variables that did not meet statistical significance – to avoid overstating effects that are not statistically robust
- removing variables with high collinearity – such as those closely overlapping with industry or occupation, to improve attribution of influence to individual factors
- ensuring continuity with prior reporting – retaining variables that have been used in earlier decompositions, where relevant
- prioritising policy and economic relevance – focusing on variables that provide actionable insights for addressing gender pay inequality.

This approach ensures that the decomposition is both policy-driven and statistically rigorous, giving a clearer view of the drivers of the gender pay gap.

234 Olsen, W. and Walby, S., Modelling gender pay gaps, Working Paper No. 17, Equal Opportunities Commission (UK), p. 24. accessed 9 October 2025

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Results

Following the informing analysis of Steps 1 and 2 above, an independent regression was conducted on selected variables to directly inform the decomposition. The regression results are as follows:

Table C-8: Independent regression model results

	ESTIMATE	STD. ERROR	T VALUE	PR(>|T|)
(Intercept)	1.761275665	0.040382579	43.61473986	0
Additional gender influences	0.059490973	0.010537955	5.64540006	1.70E-08
Age (<50)	0.014323724	0.000549613	26.06148524	1.07E-144
Age (>50)	-0.008489877	0.001138975	-7.453964838	9.85E-14
Time not working	-0.015536202	0.001225216	-12.68037476	1.50E-36
NGO/Government	0.084338555	0.011248884	7.497503889	7.08E-14
Men-dominated industry	0.056081996	0.012206202	4.594549054	4.39E-06
Women-dominated industry	-0.060952319	0.011911956	-5.116902662	3.17E-07
Level of educational attainment	0.09250688	0.002806447	32.96228169	9.44E-226

In the above regression, all variables included are statistically significant at the 5% level (as indicated by the p-value of less than 0.05 for all variables), highlighting the statistical robustness of the independent regression.

Using the above independent regression, the results of the decomposition analysis are presented in **Section 4** of this report.

Interpretation of selected variables

Additional gender influences

Represented using a binary dummy variable (male = 1), the positive coefficient suggests men earn more than women on average, once all other variables are controlled for. This effect is both statistically significant and one of the larger coefficients in the model, confirming that a meaningful portion of the gender pay gap can be directly attributed to gender.

In comparison to previous gender reporting, the limited regression used in the decomposition broadens the definition of this variable. In particular, the lack of additional control variables means gender discrimination is no longer isolated. Instead, this variable captures the variance in income due to any factor related to gender and income that is not explicitly controlled in the model. This includes gender discrimination, but will also capture the influence of variables such as hours worked and training time that are not directly captured in the regression model.

Age (years, piecewise)

Age was included using a piecewise specification, with separate variables for workers aged under 50 and those aged 50 and above. This approach captures the nonlinear lifecycle of earnings: wages typically rise during early and mid-career, then plateau or decline closer to retirement. The regression results reflect this: a positive coefficient for those under 50 and a negative coefficient for those 50 and above. While smaller in magnitude than gender or industry, these age effects are essential for avoiding misattribution of lifecycle wage changes to gender. Economically, this reflects career progression, peak productivity, and late-career wage flattening.

Aged squared was considered in line with regressions conducted in Steps 1 and 2, but the piecewise approach was preferred to allow more practical understanding of the relationship between age and income.

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Time not working

Periods out of the workforce were retained as a continuous variable to capture the cumulative penalty of career interruptions. The negative coefficient indicates a reduction in earnings for each year spent out of paid work. Though moderate in size relative to education or industry, the effect compounds over time, meaning extended absences lead to significant long-term income loss. From an economic perspective, this reflects human capital depreciation, loss of seniority, and disrupted career progression.

Industry (men-dominated and women-dominated)

In the independent regression, industry was represented using a pair of indicator variables for men-dominated industries (where men make up more than 60% of the industry) and women-dominated industries (where men make up less than 40% of the industry).

Men-dominated industries (such as Construction, Mining, or Engineering) capture the wage premium associated with sectors where men make up the majority of the workforce. The positive coefficient suggests workers in men-dominated industries earn more than counterparts in gender-balanced industries, holding all other included factors constant. Economically, the premium reflects higher market valuations placed on these industries and the bias in gendered work patterns.

In comparison, women-dominated industries (for example, Healthcare and Social Assistance and Education and Training) have a negative regression coefficient, indicating that workers in women-dominated industries earn less on average compared with gender-balanced industries. Economically, the penalty reflects systemic undervaluation of work that is disproportionately performed by women.

NGO/government sector

NGO and government employment was included as a separate indicator to reflect the unique wage-setting structures in these sectors. The positive coefficient indicates that workers in this category earn more compared with private-sector counterparts, even after controlling for education, gender, and age.

Highest level of education

Highest level of education was mapped to approximate the number of years spent on education. The positive coefficient indicates that more years spent on education is associated with higher levels of income. This confirms the return to education investment and the role of human capital in wage determination. However, the persistence of the gender effect even after controlling for qualifications demonstrates that education alone is not sufficient to close the gap.

Limitations

The modelling approach provides a point-in-time analysis of the gender pay gap. While there are acknowledged limitations to the approach, it represents one contribution to the evidence base around the issue of the gender pay gap. Results should be considered alongside other analytical approaches for a more complete picture of the links between gender and pay.

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The analysis within this report is based on the sample of respondents included within the HILDA dataset. The sample of respondents to the HILDA survey is expanded with each consecutive wave of the survey through both exits and entries from the underlying sample of respondents. The HILDA user manual[235] was used to apply appropriate weightings to control and adjust, to the extent permissible, for these sampling issues and to provide estimates for the Australian population.

The key limitations identified in undertaking this work are as follows:

Measurement error

Any analysis that draws on survey data will be impacted by measurement error because respondents may not respond accurately to questions or there may be errors in how those open-ended responses are coded. However, Uhrig and Watson (2014) analysed five waves of both the British Household Panel Survey and the HILDA survey and found that the effect of measurement error, where it could be corrected, on the comparison of men's and women's wages was small.[236]

Decomposition method

The data and methodology used for decomposition analysis impacts the results and different methodologies have strengths and weaknesses.[237] HILDA is the most appropriate data source for an Australian setting. This decomposition analysis is undertaken with the Walby and Olsen (2002) methodology, which is an established approach for the Australian context.[238] A key feature of this approach is its ability to highlight variables with 'practical policy relevance to reduce gender wage gaps' while controlling for a range of irrelevant variables that impact wages but not gender, such as geography.[239] The analysis attempts to capture the statistical association between the gender pay gap and key explanatory variables modelled, but this cannot be definitively attributed and needs to be considered in the broader context of available evidence and key developments.

The core list of variables included for decomposition was based on prior research cited in the 2009, 2016, 2019 and 2022 reports and is retained for consistency and to facilitate comparison (Table 3). Importantly, this includes variables that were statistically significant in previous editions but are no longer statistically significant, such as working in the government or NGO sector. Instead, these variables are retained for completeness and comparability.

Controlled variables in final regression

The core set of variables retained for the independent regression was selected to balance model clarity with policy relevance and alignment with previous reporting. This refinement follows from a broader set of controls used in earlier iterations, where overlap and collinearity limited interpretability. While this narrower specification strengthens focus on the most important drivers, it also introduces limitations.

Some variables that are known to influence wages such as occupation, part-time status or hours worked were excluded because of high correlation with included factors or statistical insignificance. Their exclusion means that certain aspects of pay determination are not directly modelled and may instead be absorbed into the residual or attributed to other factors. In addition, the model does not explicitly capture all contextual influences such as firm level pay practices, geographic variations and bonuses. As with all the decomposition analysis, the results should therefore be interpreted as indicative of the major gender-linked drivers of the pay gap, rather than a comprehensive account of all possible influences.

Impacts of other factors

There is a significant body of research on the financial differences between men and women such as the wealth gap, differences in lifetime earnings, and superannuation. These issues are outside the scope of this report.

235 Summerfield, M., et al., HILDA User Manual – Release 20, Melbourne Institute, Applied Economic & Social Research, accessed 9 October 2025

236 Uhrig, SCN., and Watson, N., The impact of measurement error on wage decompositions: evidence from the British Household Panel Survey and the Household Income and Labour Dynamics in Australia Survey, University of Essex, Institute for Social and Economic Research (ISER): Colchester, ISER Working Paper Series, No. 2014-24, accessed 8 October 2025

237 Cassells, R. et al., The impact of a sustained gender wage gap on the Australian economy, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs, accessed 8 October 2025

238 ibid.

239 ibid.

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Use of HILDA and WGEA Gender Equality datasets

For many of the issues and factors considered in this report and analysis, there are different measures available through different datasets. Invariably, different datasets can provide different figures and results due to differences in methodologies (such as census data compared with surveys and other sampling approaches), quality and robustness of responses, and granularity.

For the purposes of consistency and availability of the breadth of indicators required to be tested within the analysis of the gender pay gap, the HILDA survey dataset was utilised as the primary input to the analysis. As a panel survey, HILDA tracks the same people over time, and provides key information about incomes, labour dynamics and family life.

In addition to the HILDA data, the WGEA Gender Equality data collection also provides detailed information on promotion and Workforce Management Statistics that can be used to understand gender dynamics across industries such as industrial and occupational segregation. The management categories as defined by WGEA are listed in Table C-9 below.

Table C-9: Management category definitions

MANAGER CATEGORY	DEFINITION[240]
Chief Executive Officer (CEO) or equivalent	The CEO is the highest-ranked leader within an organisation or corporate structure. This includes anyone acting in the role. They may also hold different but equivalent titles, such as Managing Director, Vice Chancellor, Managing Partner, Country Head, or Principal.
Head of Business (HOB)	HOB refers to – the CEO or equivalent of a subsidiary organisation within your corporate group – an employee who has strategic control and direction over a substantial part of the business, but whose responsibilities do not extend across an entire corporate group, such as the head of a brand within a group. However, a standalone (single ABN) organisation must not use the HOB manager category – this will result in a data validation error.
Key Management Personnel	In line with Australian Accounting Standards Board AASB 124, KMPs have the authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. This includes any director (executive or otherwise) of that entity. A defining feature of KMPs is their influence is at the entity level. KMPs are likely to direct the strategic function of their section and are often functional heads, such as head of operations or head of finance. They represent at least one of the major functions of an organisation and participate in organisation-wide decisions. For corporate groups, KMPs will have authority and responsibility across the entire structure.
General Manager	General Managers (other executives and general managers) are responsible for a department or business unit within an entity. In large organisations, they may not take part in organisation-wide decisions with the CEO. Alternatively, they may take part in those decisions to share expertise or develop projects but not have the entity-level or corporate group authority that would make them a KMP.
Senior Manager	Senior Managers are responsible for one or more functions, departments or outcomes for an entity. They are more likely to take part in both the strategic and operational sides of management, including resourcing, budget and assets (capital expenditure). Some of their decisions need approval from a higher-level manager.
Other Managers	Other Managers are responsible for operational functions. They oversee day-to-day work, following and enforcing their entity's defined parameters. They may be responsible for strategies, policies and plans to meet business needs for their areas of work. They often manage time, financial and other resources, and assets such as facilities or IT infrastructure. They may also coordinate different functions or people. Line managers belong to this category, but supervisors do not.
Overseas Manager (OSM)	OSM is for use only for a key management personnel manager within a global corporate group who reports into an overseas head office, and is more senior than the domestic CEO/equivalent. If a key management personnel manager reports overseas but is not more senior than the CEO/equivalent, they are to be categorised using a different manager category. This is the only manager category where employers are not required to report salary/remuneration information to WGEA.

240 WGEA, Completing the (WPP) profile, accessed 21 August 2022

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Classification of Occupations (ANZSCO) and Australian and New Zealand Standard Industry Classification (ANZSIC).[241] However, there are some acknowledged data quality issues associated with the coding of these variables,[242] and the use of ANZSCO and ANZSIC categorisations can limit analysis at the industry level, due to a lack of granularity in industry and occupational definitions.

The Occupation Standard Classification for Australia (OSCA) classification framework for occupations was introduced in late 2024 to replace ANZSCO classifications. HILDA data used in this report (Wave 23) applies the previous ANZSCO classifications. As such, analysis is conducted at an ANZSCO classification level; however, future iterations of reporting will explore using OSCA classifications pending data availability.

Despite these limitations, industrial and occupational data from HILDA is widely used in academic research, including papers specifically examining gender pay gaps and remains a valid and important data source for this type of decomposition.[243,244] For the purposes of this report, WGEA Gender Equality data is used to supplement the findings of the HILDA data, particularly at the industry level.

The WGEA Gender Equality data collection includes data collected from all private sector employees with 100 or more or more employees annually from 2013–14. This captures approximately 40% of all employees in Australia. The WGEA Gender Equality data collection does not include public sector organisations, small private sector employers with fewer than 100 employed persons. While the WGEA Gender Equality data now includes Commonwealth public sector organisations with 100 or more employees, public sector organisations have not been included in the analysis of this report.

While the WGEA Gender Equality data collection is not used in the main statistical analysis due to data scope reasons, it is drawn on in preparing the analysis and presented alongside the analytical results. Importantly, the WGEA and HILDA data (as well as other sources such as ABS), all show that gender pay gaps persist in Australia and that gender segregation is persistent across industries and occupations.

241 Summerfield, M. et al., HILDA User Manual – Release 17, Melbourne Institute, Applied Economic & Social Research, accessed 9 October 2025

242 Watson, N., and Summerfield, M., Quality of the Occupation and Industry Coding in the HILDA Survey, HILDA Project Discussion Paper Series. 3/09, accessed 9 October 2025

243 Cassells, R. et al., The impact of a sustained gender wage gap on the Australian economy, Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs, accessed 9 October 2025

244 Watson, I., Decomposing the Gender Pay Gap in the Australian Managerial Labour Market, Australian Journal of Labour Economics, 13(1), pp. 47-79, accessed 9 October 2025

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KPMG have indicated within this report the sources of the information provided by DCA and WGEA. We have not sought to independently verify those sources unless otherwise noted within the report.

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