



Australia's Gender Equality Scorecard

Key results from the Workplace Gender Equality Agency's Employer Census 2022–23

November 2023



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Acknowledgement of Country

In the spirit of reconciliation, the Workplace Gender Equality Agency (WGEA) acknowledges the Traditional Custodians of the country throughout Australia and their connections to the land, sea and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Straight Islander peoples today.

CEO's Letter

The 2022–23 Gender Equality Scorecard arrives at a pivotal time in WGEA's evolution as a regulator and driver of change.

The Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023 passed through Parliament on 30 March 2023, just as the 2022-23 WGEA reporting year concluded. The legislative amendments are a significant step forward to accelerate employer action to close the gender pay gap. They are designed to ease some of the reporting burdens for employers and to drive greater accountability around workplace gender equality. Most notably, they enable WGEA to publish employer gender pay gaps, starting with the data collected in this year's reporting.

That makes this Gender Equality Scorecard a critical line in the sand, marking the commencement of the implementation of the reforms.

This year employers have already taken the first step. The gender pay gap has decreased 1.1 percentage points – the second largest single year drop since WGEA started collecting employer data in 2013.

This is driven by more women in management, including more senior management roles and an associated increase in women's earnings reflected in their representation in the upper pay quartiles.

Importantly, more women are being promoted and appointed at manager level than there are currently women in those roles. If this trend continues, we can expect to see the gender pay gap continue to fall.

This is promising. It signals that gender equality is on the agenda. But it is not enough. Employers need to take comprehensive action across the drivers of gender inequality and create systemic change.

The results show that the number of women in CEO level roles and the number of women on boards has stagnated over the last year; opportunities for part-time employees to take on management roles are limited; and the proportion of men taking paid primary parental leave has barely shifted.

Moreover, of those employers that conducted a pay gap analysis to understand what is driving their gender pay gaps, one of the most common actions taken following the analysis was to correct like-for-like gaps. While important, we know this is not enough to achieve gender equality.

Publishing gender pay gaps requires employers to understand their unique challenges, develop a purpose-built approach to gender equality and then take action.

The environment is ripe for change. Employees and the broader community are no longer abiding by age old excuses from decision-makers refusing to value women in the same way they value men. Employers who do not grasp the opportunity will be left behind.

We are excited to be a part of this change. We invite employers to use this Scorecard as a guide for how to think about their own employees' gender equality experience. What are they doing well and where is there room for improvement? WGEA is here to support employers and to work together to achieve a gender equal workplace experience for all Australian employees.





Introduction

About the Workplace Gender Equality Agency and its dataset

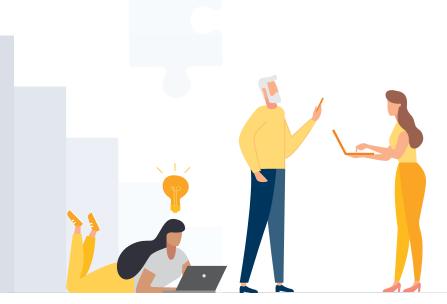
The Workplace Gender Equality Agency is an Australian Government agency established by the <u>Workplace Gender Equality Act 2012</u>.

Under the Act, WGEA is charged with promoting and improving gender equality in Australian workplaces.

The Act requires employers with 100 or more employees to report to WGEA annually against six gender equality indicators.

The six gender equality indicators are:

- GEI 1 gender composition of the workforce
- GEI 2 gender composition of governing bodies of relevant employers
- GEI 3 equal remuneration between women and men
- GEI 4 availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities
- **GEI 5** consultation with employees on issues concerning gender equality in the workplace
- **GEI 6** sexual harassment, harassment on the ground of sex or discrimination.



Our 2022-23 employer data

The information and data included in this report is based on employer reports for the period 1 April 2022 to 31 March 2023.

The 2023 Gender Equality Scorecard includes information covering 5,135 reporting organisations, and submission groups representing 4,822,194 employees. Of these 51.1% were women, 48.7% were men and 0.2% identified as non-binary.

There has been an increase of more than 900,000 employees covered in the WGEA dataset since reporting under the Act commenced in 2013–14.

You can explore WGEA's data using the <u>Data Explorer</u> tool on our website and access the full public dataset on <u>Data.gov.au</u>

Additional Info

Advice and Assistance

For further advice and assistance, please contact:

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Executive Summary

WGEA's Gender Equality Scorecard provides an annual update on the state of workplace gender equality in Australia. It features the data and insights from WGEA's annual Employer Census of private sector employers with 100 or more employees.

The 2022–23 WGEA Employer Census was the largest yet – capturing data from 5,135 employer reporting groups, covering 4,822,194 employees. Collecting data on employee composition and pay, as well as workplace policies and practices, the WGEA Employer Census delivers the most comprehensive dataset on workplace gender equality in the world.

The Gender Equality Scorecard sets out a unique record of progress on workplace gender equality. It highlights what employers have achieved, draws attention to areas requiring employer focus, improvement, and action, and creates a historical record to build on over time.

The state of workplace gender equality in 2022-23

The confluence of increased discussion and debate around gender equality and a tight labour market has helped drive action on workplace gender equality over the last year. Undoubtedly, the passing of the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023 and associated Legislative Instruments has also strongly reinforced that employers need to consider their gender equality strategies and begin to take measures to lower their own gender pay gaps.

But while the Census results show notable measures of progress, there are still areas where the gender equality outcomes are not shifting. Without consistent action across all the levers reflected in the gender equality indicators, gender inequality will persist within Australian workplaces.

1. The WGEA average gender pay gap is the lowest it has ever been at 21.7%

The average total remuneration gender pay gap is 21.7%. This is a decrease of 1.1 percentage points from the previous year, showing that the gender pay gap is again on a downward trend after stalling between 2020–21 and 2021–22.

The key driver of this change was an increase in the proportion of women in management and in the upper pay quartiles in 2022–23, with the proportion of women in management increasing at every level, except at CEO.

However, the gender pay gap is a persistent feature in Australian workplaces. Every industry and almost three-quarters (73%) of employers have a gender pay gap of larger than 5% in favour of men. Construction has the highest gender pay gap, with an average gender pay gap of 28.3% and a median gender pay gap of 31.8%.

2. There has been progress on levers to drive change

The legislative reforms passed in early 2023 require employers to share their WGEA Executive Summary and Industry Benchmark Report – which include their gender pay gaps – with their board or governing body from this year. With strong messaging about the importance of board scrutiny and in anticipation of this change, it is pleasing to see more employers conducted a pay gap analysis and reported their pay equity metrics (including gender pay gaps) to their board or governing body.

The data shows that 57% of the employers that did a pay gap analysis and took action as a result, corrected like-for-like gaps following this analysis. This action links to instances of unequal pay, which is a legal requirement and only one driver of the gender pay gap. While it is encouraging and vital to further success to see increases in analysis and action, the aim is to ultimately see broader actions that will address the full range of drivers of organisational gender pay gaps.

This year is the first time that the proportion of employees working in a predominantly single-gender industry has reduced to half the workforce, with the proportion of employees in mixed-gender industries reaching 50%. This is an important milestone for workplace gender equality. WGEA-released research with the Bankwest Curtin Economic Centre shows the overall gender pay gap in Australia can be reduced by up to one third if workplaces are more gender-balanced both across industry sectors and at all occupational levels.

Finally, the data indicates positive trends on availability of paid parental leave. Of the 63% of employers offering some form of paid parental leave, 33% offer universally available paid parental leave – a 9 percentage point increase from last year. Universally available paid parental leave is leave offered equally to men and women, without using labels that define a carer's role in the family unit as 'primary' or 'secondary'. By removing these labels, employers can be more inclusive about who is a carer. This, coupled with organisational support, can encourage more equitable uptake of parental leave and sharing of unpaid care.

3. Further reforms will support areas where there has been incremental change

While the increases for women in management and upper pay quartiles drove reductions in the gender pay gap, the changes remain modest and well below men's representation. As in previous years, as the level of seniority in management increases, women's representation decreases and in 2022–23, the proportion of women CEOs decreased slightly to 22% (from 22.3%). The publication of employer gender composition and average remuneration per pay quartiles will focus employers on composition as a key driver of gender pay gaps.

What is encouraging is there is a gradual movement of women into management. The proportion of women being promoted and appointed at manager level is higher than the proportion of women managers overall. As this trend continues the overall proportion of women in management will continue to increase.

Imbalances in the workplace are directly related to imbalances in care. Women still account for the majority of primary carer's leave taken and men account for the majority of secondary carer's leave taken. The small increase (0.6pp) in the proportion of paid primary carer's parental leave taken by men (to 14%), shows men need to be actively encouraged and supported to do so at all levels of the organisation.

There was a three percentage point increase in the number of employers that pay superannuation on parental leave (to 86%), including 14% also paying it on government-funded parental leave and 13% on unpaid leave. This is a sign that more employers are taking action to ease the retirement savings gap for women.

Finally, employers cannot let the gains made in flexible work regress. Most employers now have a flexible work policy, and for the first time, more than 50% of employers with a flexible work policy also hold leaders to account for improving flexibility. However, less than half (43%), provide managers with specific training on flexible work and the proportion offering team training has dropped to just over a third (35%). Flexible working arrangements are an essential method of balancing care responsibilities and therefore a vital tool in the gender equality journey.

4. Change requires action

The areas that haven't changed over the last year haven't seen corresponding actions to prompt change. Women's representation on boards stayed the same as the previous year at 34% and few organisations (13%) set targets to increase this.

While industrial and occupational segregation remains an issue across the board, what is clear is that industrial and occupational barriers for women are particularly pernicious to gender equality. For the first time, the Scorecard analyses occupational segregation by full-time and part-time work and what it shows is that more senior positions remain incompatible with how many women need to, or want to, engage in the workforce – 92% of manager roles are full-time, while 57% of women work in part-time and casual roles. The higher proportion of men in full-time employment (67% compared to 43% of women) increases their chances to progress into higher earning and management positions.

While female-dominated industries are more likely to have a broader range of flexible work options available, they are stagnating on taking action on gender equality compared to male-dominated industries. They are three times less likely to analyse their payroll for gender pay gaps and take action than male-dominated industries in the past year. Female-dominated industries still have gender pay gaps and do not have proportional representation of leadership, so should not rely on significant representation of women to deliver their gender equality outcomes.

At the most basic level, employers are still not consulting staff on gender equality. While 47% of employers reported they consult employees, only 3 in 10 employers have a formal policy or strategy to do so. This figure has not changed from 2021–22. This is a simple and effective way to start demonstrating to employees commitment on gender equality.

The findings in this Scorecard point to areas for employer action, progress, and positive change. The Scorecard can serve as a comparison for an employer with their organisation's or industry's data to understand how their progress may differ or align with national trends in order to make a data-informed assessment on where they are stuck and what can

be done about it. Employers can use the data in this Scorecard to begin the hard work, take more effective and ambitious action, and make workplace gender equality a priority.



2022-23 Data Snapshot

The big picture

79% of industry gender pay gaps have reduced and **21**% increased



gender pay gap

78¢ Woman





are women

42%



19% of employers included data for non-binary employees

Non-binary employees make up 0.2% of the workforce*

of managers are women

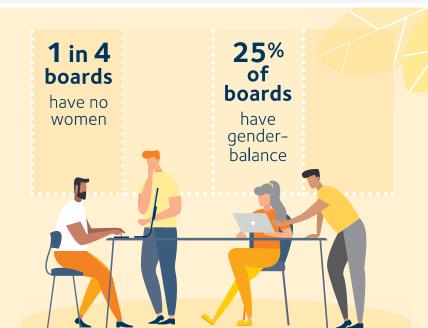
part-time
- only 7% of
management roles
are part-time

of women work



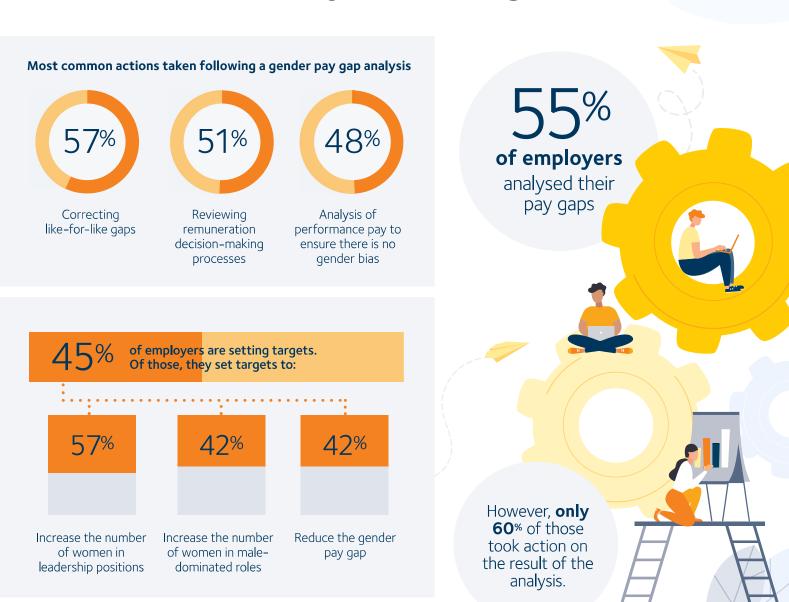
This hasn't changed in the past 12 months

* Due to the small numbers and voluntary reporting, non-binary has not been analysed for the purposes of this Scorecard.



2022-23 Data Snapshot

What are employers doing about it?





What issues are being overlooked?

of universally available or primary carer paid parental leave is taken by men

of employers reported they had a policy or strategy to achieve equal remuneration.

But of those, only 61% had pay objectives as a part of the policy

* Universally available paid parental leave is available equally to women and men with no distinction made between primary and secondary carer.