



WGEA Gender Pay Gap reporting

Insights to inform the
FY23-24 reporting cycle

May 2024

GPG reporting – overview and recent legislative changes

What is the GPG?

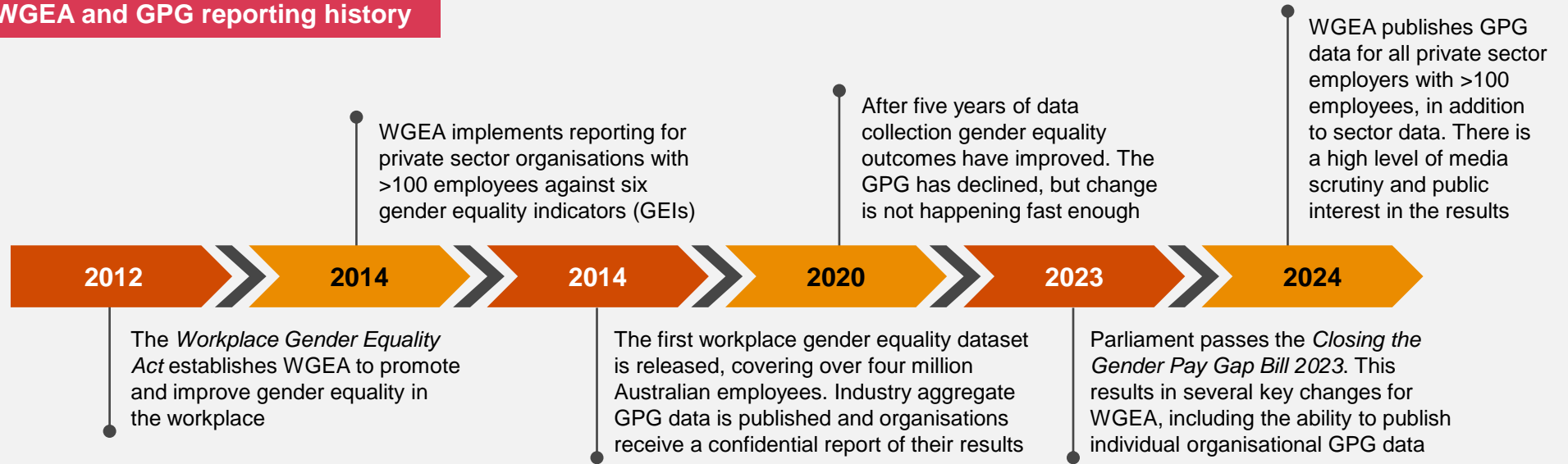
The gender pay gap (GPG) is the difference between the average earnings of women and men across organisations, industries and the workforce as a whole.

The GPG is not a matter of equal pay in like-for-like roles. In Australia, there has been a legislative requirement for men and women to be paid equally for 'work of equal or comparable value' since 1969.

Rather, the GPG is concerned with the overall picture of how social and economic factors combine to reduce women's earning capacity over their lifetime.

The Workplace Gender Equality Agency (WGEA) collects and publishes Australian GPG data yearly.

WGEA and GPG reporting history



Changes and additions to the 2024 WGEA GPG submission

There are several changes and additions to the 2024 submission.

- Mandatory reporting of certain data fields that were previously voluntary. Examples include:
 - The year of birth and primary workplace location for each employee;
 - The remuneration of the CEO, heads of business and casually employed managers; and
 - Additional information about prevention and accountability measures for sexual harassment.
- A new mandatory question about whether different cohorts of employees – including permanent, contract or fixed term and casuals – have access to employer-funded paid parental leave.
- A new voluntary question about whether (and if so, how many) employees have taken paid family and domestic violence leave.

Why this matters

On 27 February 2024 WGEA publicly released the first set of GPG data for all private sector Australian employers with over 100 employees. The media coverage was extensive – including detailed comparisons of individual organisational wage gaps against their peers, and progress against prior commitments.

Organisations are being held accountable. Employees and customers increasingly expect more from their employers, so there is a need to implement tangible actions to see meaningful results.

The immense public interest in the data is likely to continue as year-on-year reporting facilitates detailed analysis of organisational trends. While a significant reduction in the GPG will be attractive to organisations, there is a danger in adopting a short-term outlook in pursuit of results.

Changes that impact GPG must be sustainable, lest they lead to an increase in subsequent years. Strategic, longer-term plans are required to address the underlying factors that influence the GPG.



The time is now

1

The submission period for the 2024 data is 01 April 2024 – 31 May 2024. In other words, private sector employers with more than 100 employees are preparing their WGEA GPG submissions now, for publication in February 2025. Given the intense scrutiny of the 2023 results it is critical that organisations adopt a strategic approach to how their GPG data is measured, analysed and communicated – both internally and externally.

Process and governance

2

The first publication of GPG data highlighted that organisations have taken vastly different approaches to collating and analysing WGEA GPG data. The breadth of information required by WGEA warrants the involvement of a range of specialists which may include HR, payroll, analytics and ER. It is important that organisations adopt a consistent approach to GPG process and governance to achieve accurate year-on-year tracking and improvement.

Reputational risk and brand damage

3

The publication of GPG data has highlighted the delta between what organisations have been saying about gender equality and what they have been doing. They can no longer afford to talk about their GPG without confidence that the data will support the commitments being made. Failure to take action to address the structural and systemic factors that underpin GPG may lead to questions about the value organisations place on gender equity.

Employee value proposition (EVP)

4

Remuneration is a hygiene factor in attracting and retaining employees, and is arguably the most important component of an organisation's EVP. Similarly, other EVP elements – such as reward mechanisms and career development - have the ability to influence GPG. Crafting a strategic EVP, centred around equitable outcomes for all employees, will help fortify your talent pipeline throughout the employee lifecycle.

Customer value proposition (CVP)

5

Customers are placing an increasingly high value on the environmental, social and governance credentials of organisations, and will vote with their wallets when employers do not take action and create social good. Organisations that are transparent, acknowledge their results and take tangible steps to improve are well placed to leverage the opportunity to strengthen their CVP. Importantly, CVP and EVP need to be well aligned – addressing one helps to improve the other.

Opportunity cost

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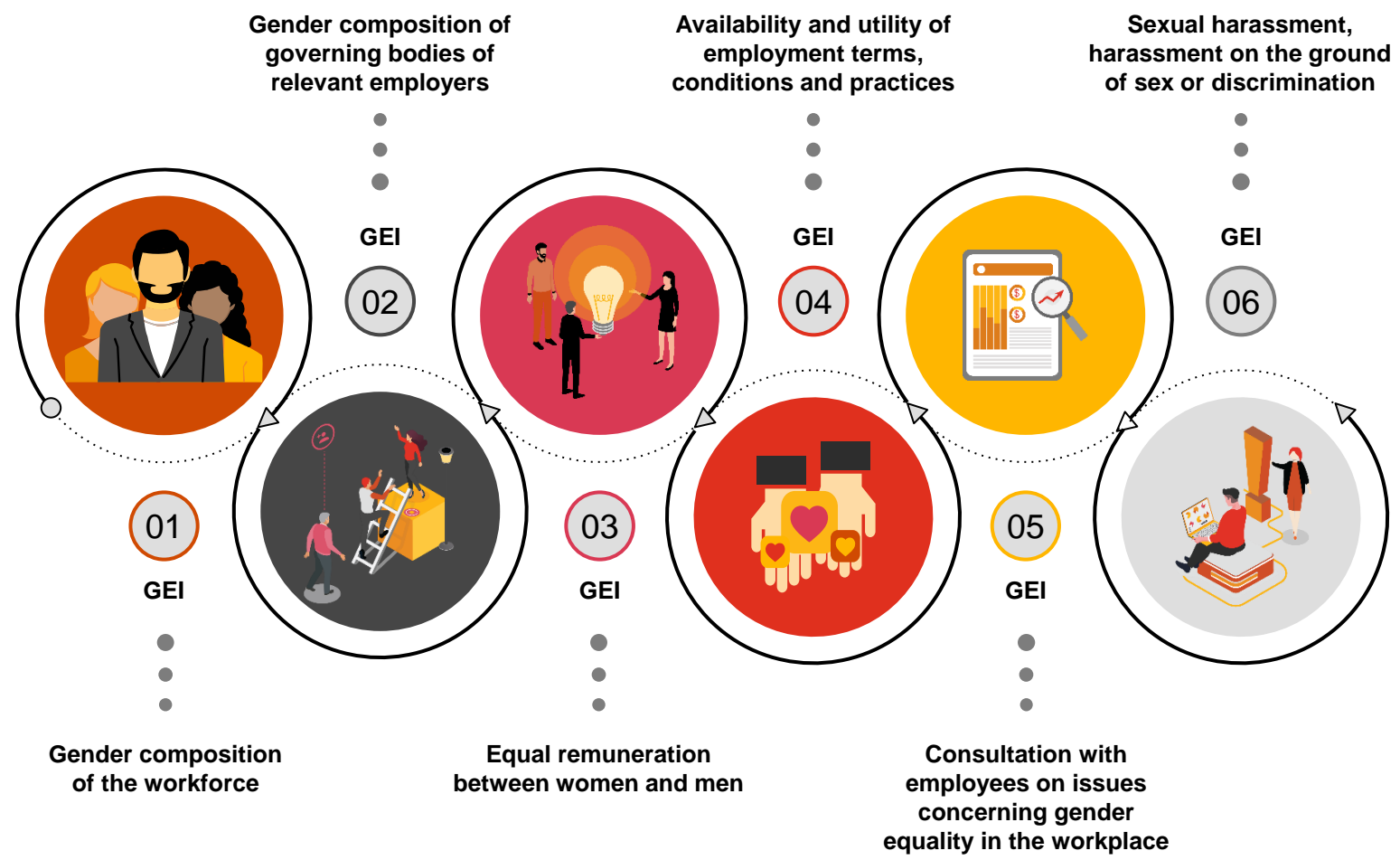
It is clear that the federal Government is placing a high priority on GPG action. It was recently announced that there are plans to preclude businesses from Government procurement contracts if they do not commit to organisational targets to improve gender equality in their workplace – including development of policies or strategies for at least three of the gender equality indicators. Failure to strategically address GPG reporting requirements may cost these businesses significant work.



The gender equality indicators

GPG reporting not only represents an opportunity to improve pay equity, but also the environment for women at work more broadly. The Workplace Gender Equality Act requires employers with 100 or more employees to report annually against six gender equality indicators.

Positive progress against these indicators not only helps to drive a reduction in GPG, but can also make your organisation more attractive to talent. Accordingly, adopting a holistic diversity, equity and inclusion lens is important in finding opportunity associated with WGEA GPG reporting.



Long term drivers and short term influencers of GPG

Long term drivers



Systemic and structural barriers

Barriers to women accessing opportunities, being recognised for their contribution and achieving fair performance outcomes significantly contribute to the GPG.

Women are often held to tougher evaluation standards in recruitment processes compared to men and are more likely to be penalised for attempting to negotiate for higher pay.



Over-representation of women in entry level or lower paid roles

The easiest way to increase the representation of women in the workforce is by increasing the recruitment of women at entry level roles. However, by doing this organisations are invariably exacerbating their GPG by increasing the proportion of women in lower paid roles. The short term cost to GPG can lead to long term gains if women in the organisation are supported to progress and grow within the business.



Over-representation of men in leadership roles

Only 23% of ASX 300 companies have gender balanced leadership teams. Organisations that achieve gender balance at the leadership level are twice as likely to have neutral GPGs. The over-representation of men in leadership roles could be attributed to a number of different factors, including a lack of flexible working options, or the tendency to favour those with similar backgrounds, which can cause women to be unfairly ruled out of selection processes.



Access to supplementary income

From a total remuneration perspective, who is offered and who accepts supplementary income opportunities, like overtime and penalty rates, can exacerbate GPGs. Bonuses are sometimes determined on a discretionary basis which introduces the possibility of bias. These also may be applied at different rates depending on role types, widening the gap between higher and lower paid roles.



Uneven distribution of caring responsibilities

Culturally, women tend to disproportionately bear the burden of caring responsibilities. As a result, women take more parental leave. This causes them to face setbacks in progression. Organisations need to consider who parental leave is available to and whether taking it is equally encouraged across all genders. By driving uptake of parental leave by men, organisations can work towards gender equality in their workplace.

Short term influences

01 Seasonal fluctuations in trading

Seasonal fluctuations or business specific changes may mean that the organisation's workforce profile has changed across the year – for example with a surge of casual employment or a significant restructure. This may create a flow on implication to the GPG analysis depending on the organisation's selected 'Snapshot Date'.

02 Large entry level employment intakes

Many organisations may have a large influx of entry level talent (e.g. graduates) around the recommended WGEA 'Snapshot Date' (31 March). Organisations that seek to build a pipeline of female talent for middle and senior roles with heavy recruitment of women in junior roles may inflate their GPG in the short to medium term.

Why is this important?

The GPG is a symptom and not a cause, and there a range of structural, systemic and cultural factors that influence results. Employers need to ensure that their GPG paints an accurate picture of their current state and that they are continuously making incremental changes to the drivers of their GPG to bring them closer to their organisational objectives.



Sector snapshot

The WGEA results demonstrate that in every industry in Australia, the median of what a woman is paid is less than the median of what a man is paid – even in industries that are dominated by women.

Industries that have higher pay rates tend to have higher pay gaps. Additionally, industries with a large reliance on bonus payments and overtime can see significantly larger GPGs due to uneven distribution of these across genders.

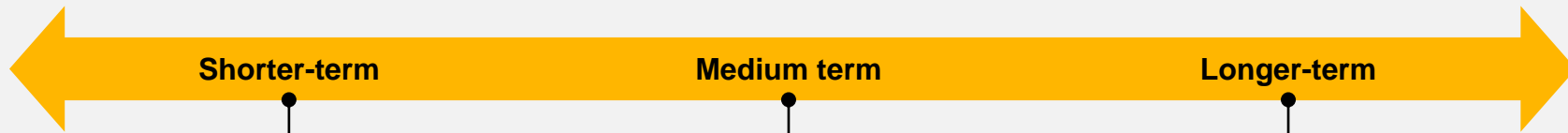
To the right is a snapshot of the GPG in some key industries and common reflections from employers as to how these have arisen.



| | Financial and insurance services | Mining | Retail Trade | Health care and social assistance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|--|-----------------------|----|----|-----------------------|----|----|----------------|----|----|-----------------|----|----|---|----------------|----|----|-----------------------|----|----|-----------------------|----|----|----------------|----|----|-----------------|----|----|---|----------------|----|----|-----------------------|----|----|-----------------------|----|----|----------------|----|----|-----------------|----|----|---|----------------|----|----|-----------------------|----|----|-----------------------|----|----|----------------|----|----|-----------------|----|----|
| Median Total Remuneration GPG % | 26.1% | 15.1% | 7.1% | 6.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gender composition by pay quartile | <table border="1"> <tr><td>Lower Quartile</td><td>64</td><td>36</td></tr> <tr><td>Lower Middle Quartile</td><td>60</td><td>40</td></tr> <tr><td>Upper Middle Quartile</td><td>48</td><td>52</td></tr> <tr><td>Upper Quartile</td><td>35</td><td>65</td></tr> <tr><td>Total workforce</td><td>52</td><td>48</td></tr> </table> | Lower Quartile | 64 | 36 | Lower Middle Quartile | 60 | 40 | Upper Middle Quartile | 48 | 52 | Upper Quartile | 35 | 65 | Total workforce | 52 | 48 | <table border="1"> <tr><td>Lower Quartile</td><td>35</td><td>65</td></tr> <tr><td>Lower Middle Quartile</td><td>22</td><td>78</td></tr> <tr><td>Upper Middle Quartile</td><td>15</td><td>85</td></tr> <tr><td>Upper Quartile</td><td>16</td><td>84</td></tr> <tr><td>Total workforce</td><td>22</td><td>78</td></tr> </table> | Lower Quartile | 35 | 65 | Lower Middle Quartile | 22 | 78 | Upper Middle Quartile | 15 | 85 | Upper Quartile | 16 | 84 | Total workforce | 22 | 78 | <table border="1"> <tr><td>Lower Quartile</td><td>63</td><td>37</td></tr> <tr><td>Lower Middle Quartile</td><td>63</td><td>37</td></tr> <tr><td>Upper Middle Quartile</td><td>56</td><td>44</td></tr> <tr><td>Upper Quartile</td><td>43</td><td>57</td></tr> <tr><td>Total workforce</td><td>56</td><td>44</td></tr> </table> | Lower Quartile | 63 | 37 | Lower Middle Quartile | 63 | 37 | Upper Middle Quartile | 56 | 44 | Upper Quartile | 43 | 57 | Total workforce | 56 | 44 | <table border="1"> <tr><td>Lower Quartile</td><td>81</td><td>19</td></tr> <tr><td>Lower Middle Quartile</td><td>80</td><td>20</td></tr> <tr><td>Upper Middle Quartile</td><td>78</td><td>22</td></tr> <tr><td>Upper Quartile</td><td>75</td><td>25</td></tr> <tr><td>Total workforce</td><td>79</td><td>21</td></tr> </table> | Lower Quartile | 81 | 19 | Lower Middle Quartile | 80 | 20 | Upper Middle Quartile | 78 | 22 | Upper Quartile | 75 | 25 | Total workforce | 79 | 21 |
| Lower Quartile | 64 | 36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lower Middle Quartile | 60 | 40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Middle Quartile | 48 | 52 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Quartile | 35 | 65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total workforce | 52 | 48 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lower Quartile | 35 | 65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lower Middle Quartile | 22 | 78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Middle Quartile | 15 | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Quartile | 16 | 84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total workforce | 22 | 78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lower Quartile | 63 | 37 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lower Middle Quartile | 63 | 37 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Middle Quartile | 56 | 44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Quartile | 43 | 57 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total workforce | 56 | 44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lower Quartile | 81 | 19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lower Middle Quartile | 80 | 20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Middle Quartile | 78 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Quartile | 75 | 25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total workforce | 79 | 21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Common drivers for GPG | <ul style="list-style-type: none"> Overrepresentation of women in customer service and operational roles Underrepresentation of women in leadership roles | <ul style="list-style-type: none"> Male dominated industry Underrepresentation of women in leadership roles Underrepresentation of women in operational roles (with higher allowances for working remotely, overtime etc.) | <ul style="list-style-type: none"> Caring and home responsibilities disproportionately affecting women Underrepresentation of women at the senior executive level and in STEM roles Total remuneration across divisions varies with business performance | <ul style="list-style-type: none"> Higher representation of women at all levels, especially senior roles, drives a reduction in GPG However, men receive more overtime, allowance and penalty payments | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



Actions to address your GPG obligations



01 Determine your GPG data sources and invest in GPG monitoring tools

Levers for addressing GPG are slow to take effect. It is critical that employers are collecting and monitoring the right GPG related data points throughout the year in order to take remedial action as soon as possible. GPG dashboards help employers monitor trends and progress towards goals.

02 Own your GPG result and strategically communicate your results

Employers are under increasing scrutiny around GPG. An employer statement communicates to your stakeholders that you are taking gender equality seriously by understanding the drivers of your GPG and committing to action to address it. Strategic messaging, for both internal and external stakeholders, is critical in framing your message.

03 Establish a consistent approach to GPG process and governance

Insights from employers suggest differing approaches are taken to gathering and approving GPG data. Because year on year comparisons are now possible the data sources and analysis should be consistent between reporting years. This requires clarity about which SMEs are involved, who is accountable for key decisions and how the process and decisions are documented.

04 Optimise your GPG results by managing short term influences

While GPG reporting has guidelines, there is wiggle room. Factors, such as rolling holidays or changes in business or workforce structure, may artificially inflate or deflate a GPG from year to year. Organisations need to take a strategic approach to reporting and what data to use in pursuing longer term GPG reduction.

05 Develop strategies to holistically address the drivers of GPG

Remediation of a poor GPG result is rarely a quick fix, and longer-term strategies are required to address drivers of GPG throughout the employee lifecycle. In many cases, organisations will need to think bigger, to attract women into traditionally male dominated roles.

06 Embed GPG reduction mechanisms in your EVP

Long term GPG reduction could be a critical component of an organisation's EVP. Our research shows that remuneration and reward is the highest ranked factor that employees seek in an employer¹. Given the importance of pay for employees, it makes sense to minimise or eliminate gender pay disparity when seeking to attract and retain top talent.



How we can help

We specialise in helping organisations build equitable and inclusive workplaces. We have a deep understanding of the factors that contribute to exacerbating the gaps between men and women's earnings, and have demonstrated experience working with organisations to develop and implement strategies to address these causal factors. We bring an independent, experienced perspective to identify strengths and gaps, and design interventions tailored to your organisation's unique context.

Depending on where you are at in your journey, we can help in a number of ways



Gender pay analysis

Understand your workforce demographics and gender pay gap across role levels, role types, tenure etc. and the organisation overall through an interactive dashboard.



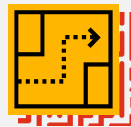
Strategic communications and employer statement

Craft an impactful employer statement to accompany your public gender pay gap that explains your journey and progress and how you are continuing to drive gender equality in your organisation.



Gender equality indicator assessment

Understand the current state of your organisation according to the six WGEA gender equality indicators. Identify gaps and opportunities for improvement to make meaningful change to create a more inclusive and equal workplace.



Gender equality strategy and policies

Review, consolidate and develop new policies, strategies and action plans to meet each of the six gender equality indicators as required by WGEA and demonstrate your commitment and action towards gender equality in your workplace.



Taking action to address the gap

Implement a bespoke action plan with tailored interventions that address the root causes of the gender pay gap at your organisation. We can help with ongoing monitoring, capability uplift, process improvements, reward strategies and more.



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