



Human Capital Management
& Payroll Software/Services

Closing the Gender Pay Gap: Insights from the WGEA Report

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The recent report from the Workplace Gender Equality Agency (WGEA) reveals both progress and persistent challenges in the fight for pay equity. While the national gender pay gap has narrowed to 19%, this still translates to a significant annual shortfall of \$18,461 for women compared to men. This data serves as a powerful reminder that continued action is necessary to achieve true gender equality in the workplace. The report offers a granular view of the differences, with women's median base salary at \$68,071, significantly trailing behind men's \$79,613. The median remuneration package further illustrates the divide: \$78,484 for women against \$96,945 for men.

The construction sector bears the largest discrepancy at a staggering 31.8% pay gap, followed closely by financial and insurance services, and professional, scientific, and technical services, both at 26.1%.

Key findings:

Gender Pay Gap

- Women's median base salary: \$68,071, men's: \$79,613.
- Women's median total remuneration: \$78,484, men's: \$96,945.

Largest Pay Gaps

Construction (31.8%), Financial & Insurance (26.1%), Professional Services (26.1%), Media & Telecommunications (24.2%).

Smallest Pay Gaps

Accommodation & Food (1.9%), Public Admin (2.3%), Arts & Recreation (4.6%), Education & Training (5.2%), Admin & Support Services (5.5%).

Pay Gap Distribution

- 8.3% favour women.
- 30.1% neutral.
- 61.6% favour men.

Additional Findings

- Half of employers have a gap under 9.1%.
- Larger companies and those with more women in leadership have smaller gaps.

The WGEA Report's Role in Shaping the Future Workforce

The most recent WGEA analysis offers detailed data for each organisation required to report on it. This version marks a significant milestone by providing a transparent view into individual companies' efforts towards gender equality. Beyond mere numbers, the report narrates a journey highlighting our collective progress and highlighting the distance yet to be covered in achieving gender balance across all employment levels.

The implications of this newfound openness are manifold. For one, it places the spotlight firmly on individual companies, holding them accountable for their pay practices. This level of visibility not only empowers HR with the data needed to enact change but also surfaces to employees how their organisation fares in many facets of their roles and remuneration.

With the inclusion of pay gap averages in the 2024 reporting, the WGEA is setting a benchmark that will serve as a yardstick for progress. This data becomes a powerful tool in the hands of those advocating for change, providing a clear target for industries to aim for and a transparent record of their journey towards equality.

Seeing Beyond the Glass Ceiling

Additionally, the WGEA report shines a spotlight on gender distribution, challenging the status quo of male-dominated industries and leadership roles. It prompts a reflection on the structural and cultural barriers that have historically impeded a more equitable workforce. HR professionals are now armed with the evidence to champion diversity and drive initiatives that encourage a more representative gender mix at every level of their organisations.



The Transparency Era

Thanks to the new pay transparency laws, this new era of visibility presents both problems and opportunities. As employees gain access to individual company data and can openly discuss salaries, the potential for internal and external salary comparisons grows. This could lead to a wave of discontent as differences are laid bare, prompting employees to question the fairness of their remuneration.

Employers now find themselves under the microscope, with increased scrutiny on their gender pay gaps. The pressure is on to not only address these gaps but to do so in a manner that is both fair and seen to be fair. The stakes are high; failure to act could tarnish reputations, dampen employee morale, and even invite legal repercussions.

In Australia, the gender pay gap is a multifaceted issue, influenced by factors such as gender segregation in job types, discrimination, and the impact of care and family responsibilities on workforce participation. The recent legislative changes, including the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023, underscore the need for HR to take a holistic approach to address these drivers.

So, what can HR professionals do in the face of these converging scenarios? Here are some practical steps:

Embrace the Data: Use the WGEA report as a tool to understand where your organisation stands and to benchmark against others in your industry.

Foster Open Dialogue: Encourage conversations about pay within your organisation. Transparency breeds trust, and trust lays the foundation for change.

Pursue Proactive Pay Equity: Conduct regular pay audits and adjust policies to ensure equitable compensation practices are not just a goal but a reality.

Educate and Empower: Provide training for all employees on the importance of pay equity. Knowledge is power, and a well-informed workforce is an empowered one.

Lead by Example: Ensure that your HR team is a role model for the rest of the organisation. Practice what you preach when it comes to pay transparency and equity.

Conduct Regular Pay Audits: By systematically reviewing compensation structures, HR can identify and address pay discrepancies. This proactive approach not only ensures compliance with the WGEA's reporting requirements, but also demonstrates a commitment to fairness and equity.

Implement Job Classification Systems: A transparent job classification system can clarify pay scales across different roles, making it easier to identify and rectify inequalities. This system should be based on skill, effort, responsibility, and working conditions, rather than gender.

Publish Pay Information: Sharing salary ranges in job postings can deter pay discrimination from the outset. It sets clear expectations for candidates and establishes a benchmark for current employees, fostering a culture of openness.

Develop Tailored Action Plans: Customised plans that address specific pay gaps within an organisation are crucial. These should be matched with government or union enforcement to ensure they are not just a formality but a catalyst for real change.

Encourage Open Discussions: A workplace where employees can comfortably discuss their salaries is one that supports pay equity. HR should facilitate these discussions, providing a safe space for employees to voice concerns and seek advice.

Enhance Reporting Quality: High-quality reporting on gender pay gaps is essential for tracking progress. HR should ensure that follow-up action plans are robust and lead to tangible outcomes.

In this new era of transparency, HR professionals have a unique opportunity to lead the charge in closing the gender pay gap. By taking proactive steps and leveraging the power of open data, they can help their organisations navigate the challenges and seize the opportunities that this new landscape presents.

The journey towards gender pay equality is more a marathon than a sprint, but with the right approach, HR can set a pace that brings everyone over the finish line together.

““ Commitment to customer service is our number one priority.””

Michael Howard, Founder