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WGEA Review Team – Consultation  
Department of the Prime Minister and Cabinet  
PO Box 6500  
CANBERRA ACT 2600

Submitted online: <https://www.pmc.gov.au/workplace-gender-equality-review-consultation>

### **Submission to Review of Workplace Gender Equality Act 2012**

Thank you for the opportunity to make a submission to the review process and to comment on the [Consultation Paper](#).

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[REDACTED], this submission is based on my personal research and is made in a private capacity.

My research interests are largely in macroeconomic flows, rather than workplace organisation or regulation, but the macro perspective is relevant to two of the consultation questions: the function of the Workplace Gender Equity Agency (WGEA) and the gender equity indicators in the Act. However, before getting to this, I need to introduce the data which drives my concern and my submission.

The gender wage gap is measured by the WGEA as the difference between the average earnings of women and men in the workforce and generally expressed as a percentage of men's earnings based on average total remuneration for full-time workers (20.1%), full-time base salary (15%) or full-time average weekly earnings (14.2%). These measures are all based on full-time work, but this focus centres and normalises male-work patterns and underestimates the differences in wages actually taken home.

As the Agency and the consultation paper notes, there are gendered differences in participation and this leads to an even bigger gap in overall earnings. By my calculation from ABS data, the gap is 31.3% based on average weekly earnings of all employees, but even these average earning figures are limited in that they do not tell us how many men or women are earning that income. It would be theoretically possible to have an economy with a very small gender wage gap, but very few women employed (indeed, if there were no women employed there would be no gender wage gap).

More realistically, women's participation in the labour force may increase over time, but if that increase simply replicates existing patterns then the average gender wage gap would remain the same even though there may be a significant increase in women's earnings across the economy (because more women are working).

Alongside these disaggregated averages, I think it is important to record and express the aggregate outcome of the gender wage gap. This can be done by calculating the share of aggregate wages taken home by men and women. This will be a function of both earnings and participation and is used in the United Nations' Gender Development Index.

While the calculation in the UN index is complicated by the need to ensure international comparability, in Australia a gap could be calculated fairly easily from ABS [Labour Force](#) and [Average Weekly Earnings](#) data. It is simply a matter of multiplying the average male wage by the number of male workers and the average female wage by the number of female workers. This gives an aggregate wage pool, and the male and female share of that pool. The table below shows the data for May 2021.

	Female	Male
No. of Employees	6,259,700	6,878,100
Average Weekly Earnings	\$1069.10	\$1555.30
Total Earnings	\$6,692,245,270	\$10,697,508,930
Difference in Total Earnings	\$4,005,263,660	
Total Wage Pool	\$17,389,754,200	
Share of Total	38.5%	61.5%

There are caveats on this data in broader gender terms given that it relates to labour earnings only, and does not include investment of other income. It also does not deal with the distribution of non-market production income or the redistribution of wage income within households.

However, in the context of the review of the Agency, this macro data is important because it provides an understanding of the size of the challenge being addressed. In aggregate, men earn \$4bn a week more than women, which translates into around \$200bn a year – an annual figure which is about the same size as the entire federal government expenditure on social security ([Commonwealth Budget Paper No.1, Statement 6](#), Table 3).

These sums can be contrasted with the [annual budget of the Agency of around \\$6m per year](#). Obviously responsibility for addressing the gender wage gap or share of income does not lie solely with this Agency. Regulation and expenditures from other agencies in training, childcare and other services are vital. However, even with the Agency's more limited focus on the workplace, the challenge is most evident in consideration of the functions and powers of the Agency which lie outside its regulatory, compliance and reporting roles, notably:

- Advising and assisting employers in promoting and improving gender equality in the workplace
- Undertaking research, educational programs and other programs for the purpose of promoting and improving gender equality in the workplace; and
- Promoting and contributing to understanding and acceptance, and public discussion, of gender equality in the workplace

These are appropriate functions for the Agency, but can not hope to be done at a scale necessary to address the gender wage gap given the size of the task at hand. It is overly

optimistic to expect an expenditure of less than \$6m on these functions to have much impact on a \$200bn problem generated in workplaces.

**Recommendation**

*That the size of the research and education budget of the Agency be increased.*

The aggregate data highlighted above also suggests another avenue for useful data collection. The *Workplace Gender Equality Act* refers the collection of data on “gender inequality indicators”, defined as including (a) gender composition of the workforce, and (c) equal remuneration between men and women ([s3](#)) – which could include the sorts of aggregated data above. However, [Schedule 1 of the Instrument](#) requires that this the data collected be “disaggregated data regarding the remuneration profile”.

This mandated disaggregated data is important, but no one viewpoint is complete or perfect. A company, industry or a society could have no gender gap in full time wages, but be employing almost no women. This would be evident in the gender wage share data, but not in the gender wage gap data (noting workforce composition data is collected, but is separate from the remuneration data). By contrast, a company, industry or society could have a significant gender wage gap in full time wages, but employ far more women so that the share of aggregate wages might be equal. This would be evident in the traditional gender wage data, but not in income share data.

The point here is not that the gender aggregate income data I am proposing is better or should replace existing data sources – just that it provides a different and additional viewpoint. Further, the collection of such aggregated data imposes no real extra reporting burden as the data is already there in the disaggregated reports – it just needs to be multiplied out. Such aggregation could potentially even be done at the Agency level.

**Recommendation**

*That in addition to the disaggregated remuneration data, the Agency collect and/or calculate and present aggregated data in terms of the gender share of the total wages pool and the difference in total income going to men and women.*

Thank you for your attention to this submission.

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[Redacted contact information]