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## New comprehensive resource to help Australian businesses close the gender pay gap

122 Australian business leaders have publicly committed to closing any gender pay gap in like-for-like roles within their organisations, supported by a new and comprehensive resource released by the Male Champions of Change coalition today.

The *Closing the Gender Pay Gap* report offers a step-by-step guide to ensuring equal pay for equal work, drawn from strategies and tips developed by some of Australia's top businesses over recent years. The resource is designed to help organisations large and small accelerate their efforts to achieve pay equity.

According to the Workplace Gender Equality Agency, Australia's average gender pay gap currently sits at 15.3 per cent, reflecting the overall position of women in the workforce. This difference is driven by a range of factors, including the under-representation of women in leadership positions and significant disparities in earnings between male- and female-dominated industries and occupations.

*Closing the Gender Pay Gap* explains the various ways in which gender pay gaps can emerge and identifies the workplace conventions and fallacies that fuel them. It provides methodologies for assessing and ensuring equity through different remuneration types – fixed, variable, total and benefits - and other pay-related mechanisms such as commissions, location loading, non-monetary opportunities and benefits, and flexible working.

The report concludes with best practice approaches to prevent and respond to like-for-like pay gaps covering: the timing and frequency of gender pay gap reviews; the interrelationship with performance reviews and processes; the relationship to recruitment and retention; to salary setting; and in addressing the gender wealth gap through, for example, superannuation payment policies.

"Addressing the national gender pay gap requires the effort of our whole community," said Libby Lyons, Director of the Workplace Gender Equality Agency. "Employers must step up and play their part. All leaders have the power to analyse their data and take action on pay gaps within their organisations."

The signatories to the *Closing the Gender Pay Gap* report are inviting other Australian leaders to join forces with them in addressing these issues. They include leaders from Business, Property, Sport Architecture, the public service and Science, Technology, Engineering and Mathematics (STEM).

Steve McCann, Group CEO and Managing Director of Lendlease, whose organisation's experiences features as one of the four case studies in the report, is a signatory.

"There is no excuse for men to be paid more than women for work that has the same accountability, breadth and difficulty, and for which they have comparable performance, competence and experience," he said. "We've learned that gender-based pay gaps can be both common and insidious - particularly in historically male-dominated sectors. Having regular, scrutinised and actioned reporting is a game changer - real-time access to relevant data becomes hard to ignore and demands action."

MCC Founder and Chair, Elizabeth Broderick, said having leaders step up on this issue would accelerate the advancement of gender equality in our society: "This is a joint and concerted effort to help make unjustifiable pay differences in like-for-like roles for men and women a matter of history in Australia," she said.

The *Closing the Gender Pay Gap* report and resources within was developed from, and builds upon, work and leadership undertaken by the Property Male Champions of Change with support from EY.

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*Closing the Gender Pay Gap* is available on the [Male Champions of Change website](http://malechampionsofchange.com/resources/) (<http://malechampionsofchange.com/resources/>).



## Background

### MCC objective and approach

- ◆ Achieve significant and sustainable change in the low levels of women in leadership. Representation levels are too low. The pace of change is too slow.
- ◆ Step up beside women, who have for so long been responsible for the gains achieved in gender equality. Recognise that all leaders, including men, have a role to play in progressing what is a significant economic and societal issue for Australia.
  - Use our collective influence to ensure the issues of gender equality and women’s representation in leadership are advanced.
  - Develop a deep level of insight into the barriers that need to be tackled within our organisations and broader society.
  - Work together to take high impact action. Our focus is on addressing systemic, policy, behavioural and cultural impediments, not on “fixing” or “changing” women.
- ◆ We benefit from the advice and support of many – including Chief Executive Women and Women’s Leadership Institute Australia.

### Purpose of the Report

- ◆ Closing the Gender Pay Gap provides a tool for organisations to identify and address the gender pay gap in their organisation. It focuses particularly on the like for like or market-relative pay gap as it is within the Male Champions of Change power to take action to address this pay gap in their organisations immediately.

### Questions and answers

#### What is a ‘like-for-like’ gender pay gap and how is it different from other gender pay gaps?

- ◆ There are many ways to measure the gender pay gap, including ‘like-for-like’, ‘external market-based’, ‘level-by-level’, and ‘organisation-wide’. Each of these lenses will surface different facets and causes of an organisation’s pay gap. The report encourages leaders to conduct a review using each of these lenses so they can understand and tackle the different causes of their gender pay gaps. See further detail on page 8 of the report.
- ◆ This report particularly encourages leaders to conduct a ‘like-for-like’ pay gap analysis as this lens enables leaders to identify if men and women in their organisation who are doing the same role (with the same accountability, breadth and difficulty, and with similar performance expectations) and with equivalent competence and experience are being paid differently. Where there is insufficient sample size to conduct ‘like-for-like’ analysis, organisations can conduct ‘external market-based’ pay gap analysis, which compares pay of women and men to the market rate for their roles.
- ◆ It is in the power and interests of leaders to close these pay gaps. The report encourages leaders to take action and outlines the immediate action they can take.

#### WGEA has reported that the national gender pay gap is 15.3%. How is this calculated and how do we know what the like-for-like or external market-based pay gap is in an organisation?

- ◆ The national gender pay gap is the difference between women’s and men’s average weekly full-time equivalent earnings, expressed as a percentage of men’s earnings. The Workplace Gender Equality Agency calculates the national gender pay gap using Australian Bureau of Statistics’ Average Weekly Full-Time Earnings data (<https://www.wgea.gov.au/wgea-newsroom/save-date-4-september-equal-pay-day>). The national gender pay gap is currently 15.3% and has hovered between 15% and 19% for the past two decades.



- ◆ The **like-for-like pay gap** is calculated by each organisation and analyses the pay men and women receive for doing the same jobs in their organisation. The like-for-like gap will differ between organisations.
- ◆ The **external market-based pay gap** is calculated by comparing the pay men and women receive in their organisation for doing a particular role, to the average pay for that role in the market (based on market data provided by sources such as Aon Hewitt). The external market-based pay gap will differ between organisations. An external market-based pay gap is calculated by comparing the pay men and women receive in their organisation for doing a particular role, to the average pay for that role at market (based on market data provided by sources such as Aon-Hewitt). The external market-based pay gap will differ between organisations.

#### About the Male Champions of Change

- ◆ The Male Champions of Change (MCC) initiative was established by the then Australian Sex Discrimination Commissioner, Elizabeth Broderick in April 2010.
- ◆ Since inception, the MCC strategy has inspired and supported groups within sectors (Property, Sport, STEM, Architecture, Engineering). There are now eight (8) groups running around the country. See the website for details on the groups <http://malechampionsofchange.com/groups/>
- ◆ The Male Champions of Change strategy has attracted significant international attention, profiled by the UN Secretary General High Level Panel for Women's Economic Empowerment as a key initiative for global scale ([https://www.empowerwomen.org/-/media/files/un%20women/empowerwomen/resources/hlp%20briefs/male%20champions%20of%20change\\_with%20cover.pdf](https://www.empowerwomen.org/-/media/files/un%20women/empowerwomen/resources/hlp%20briefs/male%20champions%20of%20change_with%20cover.pdf))