



Government of **Western Australia**
Department of **Commerce**

Model Agency Pay Equity Audit



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A model pay equity audit

This part of the Pay Equity Resource Package provides a template for a pay equity audit report in a sample organisation called *Model Agency*. The model report is intended to provide guidance on the types of information that can be included in a pay equity audit report using the Pay Equity Audit tool.

Once the data analysis process has been completed, a pay equity audit report can be used to detail the findings of the audit, identify gender pay gaps within the organisation and areas of concern, highlight areas that need further investigation and recommend strategies to improve gender equity. The report can also highlight areas of best practice where there is no pay equity problem.

The pay equity report will also provide a benchmark to assess improvement in gender equity in subsequent years.

Developing pay equity strategies

A gender pay gap of 5 per cent or more is regarded as significant and warrants further investigation.¹ Sections with larger pay gaps are the ones that should be targeted initially within an organisation. Identifying those areas where there are larger than average gender pay gaps can facilitate the development of targeted pay equity strategies.

One way to formalise pay equity strategies is to develop a pay equity action plan based on the findings of the pay equity audit report. A suggested process for developing a pay equity action plan contains the following five steps:

- Step 1 – Identify causes and major areas of concern
- Step 2 – Prioritise areas of concern
- Step 3 – Identify outcomes and strategies
- Step 4 – Consult with stakeholders
- Step 5 – Implement and communicate

Communication and consultation should take place with all relevant stakeholders, including representatives from all areas involved in the audit process. This assists in formulating pay equity strategies that can be integrated into the organisation's business planning process with clear outcomes and timeframes for achievement.

¹ This is the figure considered significant by New Zealand's Department of Labour and the Equality Commission for Northern Ireland, which stated, "There is no legal guidance on what constitutes a significant difference but techniques of statistical analysis suggest that a 5% or greater difference can be regarded as significant, wherever it occurs" (Equal Pay Review Kit, p. 14, Belfast, Northern Ireland 2006; Pay and Employment Equity Review Workbook — 2nd Edition, Wellington, New Zealand, January 2006).

Pay Equity Audit of *Model Agency*

An example audit report on the results of a pay equity audit (2012) for government agencies

Contents

- Introduction**
- 1. Gender pay gap in Model Agency**
 - 1.1 Gender pay gap among all staff
 - 1.2 Gender pay gap among non-senior staff
 - 1.3 Model Agency's gender pay gap in context
- 2. Gender pay gap by section**
- 3. Gender pay gap by level**
- 4. Gender pay gap by age**
- 5. Flexible working arrangements**
 - 5.1 Rate of part time work in Model Agency
 - 5.2 Rate of part time work by section
 - 5.3 Rate of part time work by level
 - 5.4 Rate of part time work by age
 - 5.5 Rate of purchased leave by gender
- 6. Allowances and overtime**
 - 6.1 Travel allowance
 - 6.2 Specific overtime
 - 6.3 Higher/Acting Duties allowance
- 7. Section analyses**
 - 7.1 Service Delivery
 - 7.2 Financial and Commercial Services
- 8. Strategies**
 - 8.1 Gender pay gap overall and by section
 - 8.2 Gender pay gap by level
 - 8.3 Flexible working arrangements
 - 8.4 Allowances and overtime

Introduction

Model Agency, and other forward-looking organisations, can use the pay equity audit process to inform and guide their attraction and retention initiatives and improve their gender profile.

A central aspect of a pay equity audit is the analysis of gender pay gaps (GPGs). The audit tool allows each organisation to examine GPGs within various sections, branches, levels and age cohorts. The GPG is the difference between the average earnings of males and females, expressed as a percentage. So, a gender pay gap of 18.6 per cent means that women earn, on average, 81.4 cents for every dollar earned by a male employee.

The pay equity audit also examines rates of flexible working arrangements, entitlements to allowances and overtime, and the density (proportion) of females in particular sections, levels, age cohorts and branches. The density of females is the proportion of a particular group of employees that is female. For example, if 30 per cent of level 3 employees are female, then the density of females at L3 is 30 per cent.

The overall gender pay gap (GPG) within an agency can be compared with averages in WA and in Australia. The GPG for private and public sector organisations can be compared to the GPGs for similar state and national industries. For example, in this Model Agency audit, a section of the agency, the Financial and Commercial Services, was compared with the average gender pay gap, proportion of females and part time rate for the Finance and Insurance industry in WA and nationally.

The audit of Model Agency is based on a payroll sample for the fortnight of 31 March 2012. All part time employees' salaries were converted to full time equivalents (FTE), to enable a like-for-like comparison. Casual staff members were not included in the analysis. Staff employed on short term contracts were included, but only if they were employed during the sample fortnight.

It is important to note that GPGs are usually calculated on total remuneration rather than base salaries. Gender pay gaps calculated using total remuneration are more likely to expose discrepancies in employee earnings.² If the total remuneration were calculated for Model Agency employees, the GPG may be larger. Total remuneration includes overtime allowances, bonus payments, special projects payments, higher duties allowances and other special benefits payments. These were analysed separately for Model Agency and are detailed in Section 6.

To focus on the bulk of the Model Agency workforce, extremes at either end of the income distribution were eliminated for most purposes. Trainees, cleaners, staff who received no income for the sample fortnight, and a tea lady were eliminated from the data. Senior management or those employees above L9 were also excluded for most purposes.³

The exclusion of senior staff from the analysis ensures the following:

- Senior employees' salaries do not distort the underlying gender profile of various sections; and
- Focus is directed towards lower levels, ensuring that issues of inequitable progression towards senior management positions can be identified.

² The Todd/Eveline *Review of the Gender Pay Gap in Western Australia* (November 2004) states that for the purposes of pay equity analysis, "the term 'remuneration' includes the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in case or in kind by the employer to the worker and arising out of the worker's employment" (p. 59).

³ Senior staff members are excluded from all tables and charts unless otherwise noted.

1. Gender pay gap in Model Agency

Tables 1.1 and 1.2 identify the gender pay gap (GPG) in Model Agency. This is based on the difference between the average salaries of females and males, expressed as a percentage. Table 1.1 shows an overall GPG of 18.6 per cent among all staff. Table 1.2 excludes senior staff (defined as those above level 9) and yields a GPG of 17.8 per cent. This means that for every dollar earned by a male employee, a female employee earns, on average, 82.2 cents.

Table 1.1 Gender pay gap among all staff

Gender	Data	Total
F	Average of Salary	\$59,161
	Count of Gender	253
M	Average of Salary	\$72,716
	Count of Gender	761
Total Average of Salary		\$69,334
Total Count of Gender		1014

Gender pay gap	18.6%
Proportion of females	25.0%

Table 1.2 Gender pay gap among non-senior staff

Gender	Data	Total
F	Average of Salary	\$59,161
	Count of Gender	253
M	Average of Salary	\$71,960
	Count of Gender	755
Total Average of Salary		\$68,747
Total Count of Gender		1008

Gender pay gap	17.8%
Density of females	25.1%

Table 1.3 compares Model Agency's GPG of 17.8 per cent with the WA average (26.4 per cent) and the national average (17.5 per cent).⁴ A gender pay gap of 5 per cent or more is regarded as significant and worthy of further investigation.⁵

⁴ ABS, *Average Weekly Earnings*, Average weekly ordinary time earnings for full time employees by gender, WA and Australia, November 2012, 6302.0.

⁵ This is the figure considered significant by New Zealand's Department of Labour and the Equality Commission for Northern Ireland. The latter commission stated, "There is no legal guidance on what constitutes a significant difference but techniques of statistical analysis suggest that a 5% or greater difference can be regarded as significant, wherever it occurs" (Equal Pay Review Kit, p. 14, Belfast, Northern Ireland 2006; Pay and Employment Equity Review Workbook — 2nd Edition, Wellington, New Zealand, January 2006).

Table 1.3 Model Agency's gender pay gap in context

		Model Agency	WA	Australia
F	Average full time salary	\$59,161	\$66,326	\$63,860
M	Average full time earnings	\$71,960	\$90,074	\$77,432
Gender pay gap		17.8%	26.4%	17.5%

2. Gender pay gap by section

Table 2.1 and Chart 2.1 (below) identify the differences in the GPG by sections of Model Agency

The sections with the largest average pay gaps are:

- Director's Office (33 per cent);
- Material Delivery (30 per cent);
- Service Delivery (22 per cent); and
- Finance & Commercial Services (19 per cent).

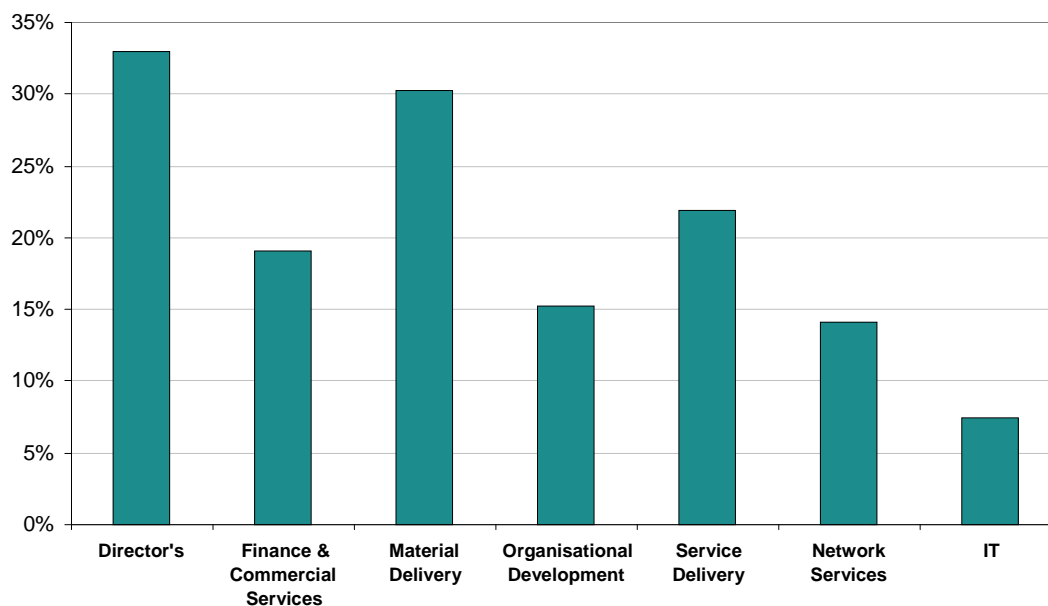
The three sections with the smallest GPGs are:

- Organisational Development (15 per cent);
- Network Services (14 per cent); and
- IT (7 per cent).

Table 2.1 Gender pay gap by section

Gender	Data	Director's Office	Finance & Commercial Services	Material Delivery	Organisation Development	Service Delivery	Network Services	IT	Grand Total
F	Average of Salary	\$61,999	\$59,592	\$58,414	\$64,041	\$54,345	\$58,691	\$67,654	\$59,161
	Count of Gender	11	40	14	24	86	45	33	253
M	Average of Salary	\$92,540	\$73,624	\$83,791	\$75,579	\$69,556	\$68,314	\$73,097	\$71,960
	Count of Gender	9	60	67	18	328	139	134	755
Total Average of Salary		\$75,743	\$68,011	\$79,405	\$68,986	\$66,396	\$65,961	\$72,021	\$68,747
Total Count of Gender		20	100	81	42	414	184	167	1008
Gender pay gap		33.0%	19.1%	30.3%	15.3%	21.9%	14.1%	7.4%	17.8%
Density of females		55.0%	40.0%	17.3%	57.1%	20.8%	24.5%	19.8%	25.1%

Chart 2.1 Gender pay gap by section



3. Gender pay gap by level

Table 3.1 (below) indicates that there are no significant pay gaps within classification levels, with all levels showing GPGs lower than 2 per cent. However, it is important to note that there may be considerable differences within levels if non-salary elements of remuneration were included in this analysis.

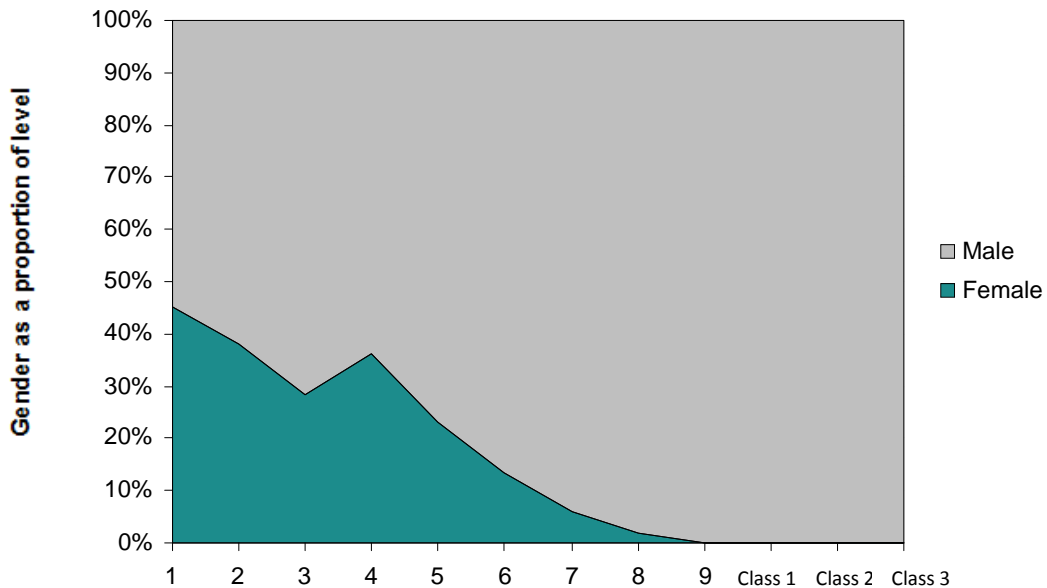
The table also provides the Density of females and males at each level. The Density of females is a measure of female employees at a particular level as a proportion of all employees at that level. Chart 3.1 (below) shows the Density graphically. There are more males than females at each classification level. More than 75 per cent of employees at levels 5 and 6 are male, and more than 90 per cent of employees at levels 7 to 9 are male.

Table 3.1 Gender pay gap by level

		Level									
Gender	Data	1	2	3	4	5	6	7	8	9	Grand Total
F	Average of Salary	\$39,969	\$49,453	\$55,569	\$62,052	\$71,101	\$84,655	\$95,282	\$111,492		\$59,161
	Count of Gender	34	54	56	42	40	20	6	1		253
M	Average of Salary	\$40,794	\$48,857	\$56,569	\$62,084	\$72,324	\$84,826	\$96,538	\$111,016	\$126,641	\$71,960
	Count of Gender	41	88	142	74	132	128	97	48	5	755
Total Average of Salary		\$40,420	\$49,084	\$56,286	\$62,072	\$72,040	\$84,803	\$96,465	\$111,025	\$126,641	\$68,747
Total Count of Gender		75	142	198	116	172	148	103	49	5	1008

Gender pay gap	2.0%	-1.2%	1.8%	0.1%	1.7%	0.2%	1.3%	-0.4%	100.0%	17.8%
Density of females	45.3%	38.0%	28.3%	36.2%	23.3%	13.5%	5.8%	2.0%	0.0%	25.1%
Density of males	54.7%	62.0%	71.7%	63.8%	76.7%	86.5%	94.2%	98.0%	100.0%	74.9%

Chart 3.1 Proportion of males and females by level



Note that the above chart includes Senior Management.

4. Gender pay gap by age

Table 4.1 (below) demonstrates the pay gap by age and the Density of females and males by age cohort. The GPG is largest at ages 55-59 (24 per cent) and smallest and in favour of females at ages 15-19 (-3 per cent). The next two largest pay gaps are for ages 60-64 (22 per cent) and for ages 45-54 (20 per cent).

Table 4.1 Gender pay gap by age

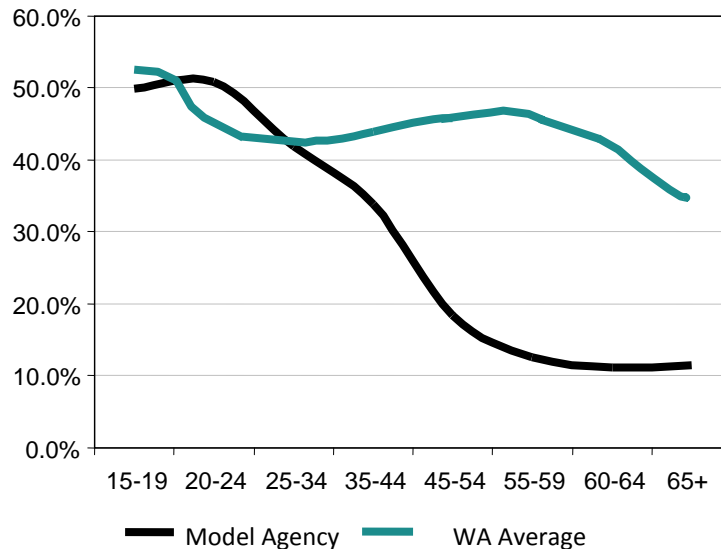
Gender	Data	15-19	20-24	25-34	35-44	45-54	55-59	60-64	65 and over	Grand Total
F	Average of Salary	\$35,963	\$44,910	\$56,688	\$65,727	\$61,601	\$59,459	\$60,058	\$50,611	\$59,161
	Count of Gender	1	29	60	68	61	21	10	3	253
M	Average of Salary	\$34,847	\$46,555	\$59,180	\$73,430	\$76,507	\$78,056	\$76,736	\$59,103	\$72,716
	Count of Gender	1	28	83	133	269	145	79	23	761
Total Average of Salary		\$35,405	\$45,718	\$58,134	\$70,824	\$73,752	\$75,704	\$74,862	\$58,123	\$69,334
Total Count of Gender		2	57	143	201	330	166	89	26	1014

Gender pay gap	-3.2%	3.5%	4.2%	10.5%	19.5%	23.8%	21.7%	14.4%	18.6%
Density of females	50.0%	50.9%	42.0%	33.8%	18.5%	12.7%	11.2%	11.5%	25.0%
Density of males	50.0%	49.1%	58.0%	66.2%	81.5%	87.3%	88.8%	88.5%	75.0%
Females in cohort as % of all females	0.4%	11.5%	23.7%	26.9%	24.1%	8.3%	4.0%	1.2%	100.0%
Males in cohort as % of all males	0.1%	3.7%	10.9%	17.5%	35.3%	19.1%	10.4%	3.0%	100.0%

Chart 4.1 compares the Density of each age cohort that is female in Model Agency with the WA average.⁶ This chart demonstrates that the Density of females in Model Agency is above the WA average among the youngest age cohorts, and then diverges from the WA average with females over the age of 35 significantly underrepresented. For example, 18.5 per cent of Model Agency employees aged 45-54 is female while 45.2 per cent of employees in WA at this age group is female.

Chart 4.1 Proportion of each age cohort that is female

Females as a proportion of age cohort



⁶ ABS, *Labour Force*, LM1 - Labour Force Status by Sex, Age, Marital Status, Capital City/Balance of State, May 2012, 6291.0.55.001.

Chart 4.1 (above) shows the proportion of each age cohort that is female, for both Model Agency and WA. Charts 4.2 and 4.3 (below) show the proportion of females that is in each age cohort for Model Agency (4.2) and WA (4.3).⁷

The charts below show that males in Model Agency are older than the average for WA male employees and females are younger than the average for WA female employees.

Chart 4.2 Age cohort as a percentage of all Model Agency employees

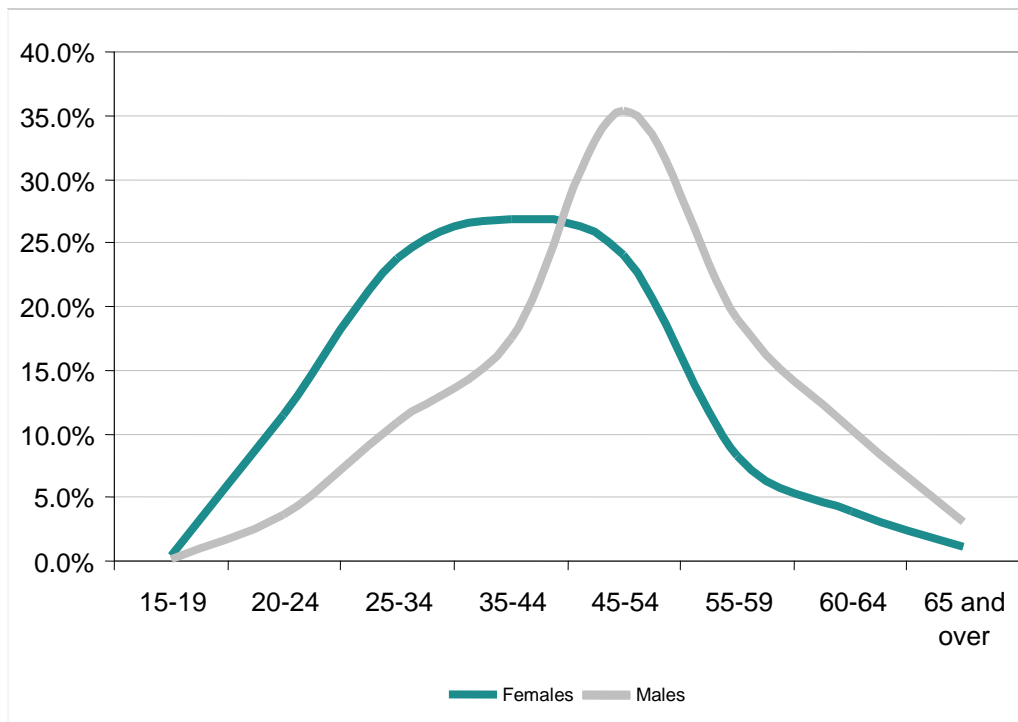
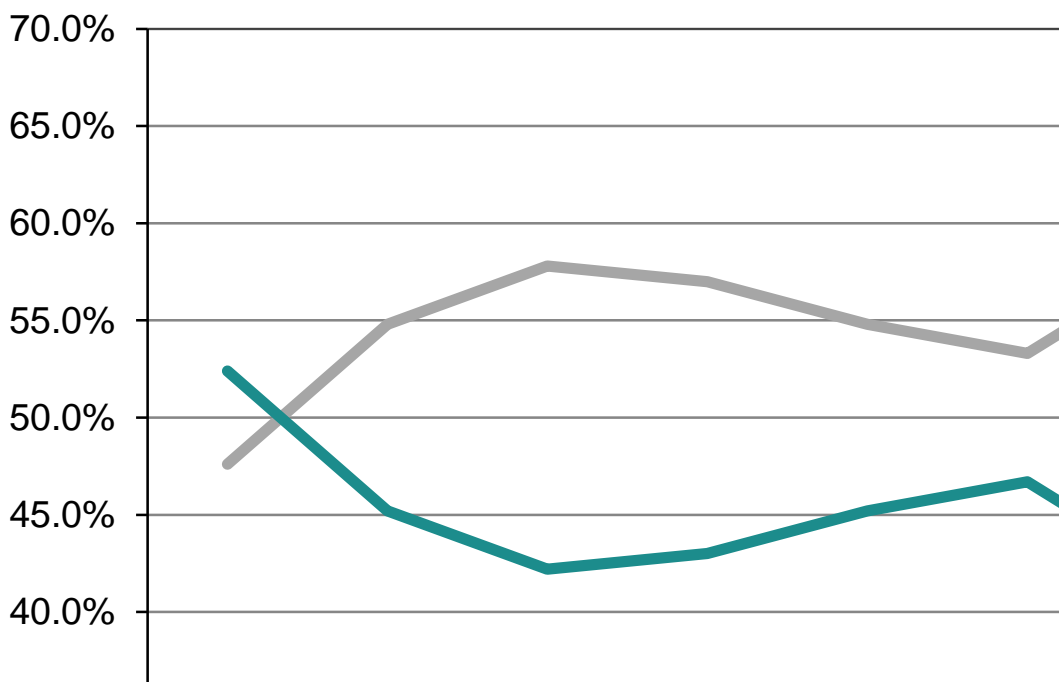


Chart 4.3 Age cohort as a percentage of all employees (WA average)



⁷ Ibid.

5. Flexible working arrangements

The availability of flexible work arrangements is a key attraction and retention tool. This section examines the incidence of two key flexible arrangements, part time work and purchased leave. Purchased leave is ability to 'purchase' additional paid leave for a reduction in salary throughout the year.

These particular flexible arrangements are easily quantifiable, are formal rather than informal, and are contained in the payroll dataset that is used in this audit. Although workplace culture cannot be quantified, the incidence of part time work and purchased leave may provide a useful proxy for the degree to which an organisational culture accepts flexible work generally.

The usage rates of other types of flexible work arrangements including flexi-time can be difficult to quantify and are not examined in this report.⁸

5.1 Rate of part time work in Model Agency

Table 5.1 (below) shows rate of part time work in Model Agency, and compares it with the average for the WA public sector. Only 3 per cent of Model Agency employees work part time, compared with 30 per cent across the sector. This rate varies by gender with 11 per cent of all females and less than 1 per cent of all males working part time, compared with sector averages of 43 per cent and 9 per cent respectively.⁹ The rate of part time work in Model Agency is extremely low relative to the averages for the WA public sector.

Table 5.1 Incidence and percentage of part time work by gender

	Model Agency	Sector Ave.
Percentage of employees that work part time	3.1%	30.0%
Percentage of females that work part time	10.7%	42.6%
Percentage of males that work part time	0.5%	8.5%

5.2 Rate of part time work by level

Table 5.2 (below) indicates the proportion of females and males at each level working part time. For female employees, the largest percentage working part time is at level 6 (20 per cent), followed by levels 2 and 7 (both at 17 per cent). There are no employees working part time above level 7 and very few (less than 4 per cent) at levels 6 and 7.

⁸ A more complete review of flexible working arrangements in Model Agency may encompass an examination of human resources policies and practices, and an investigation of the 'implementation gap'. An implementation gap may arise when flexibility is formally made available, but few employees are aware of the possibility of using it, or feel constrained from asking for a change in their arrangements.

⁹ Agency EEO Yearly Reports 2006 as cited in *PROFILE of the Western Australian State Government Workforce*, Section 1.2 Modes of Employment, 30 June 2006.

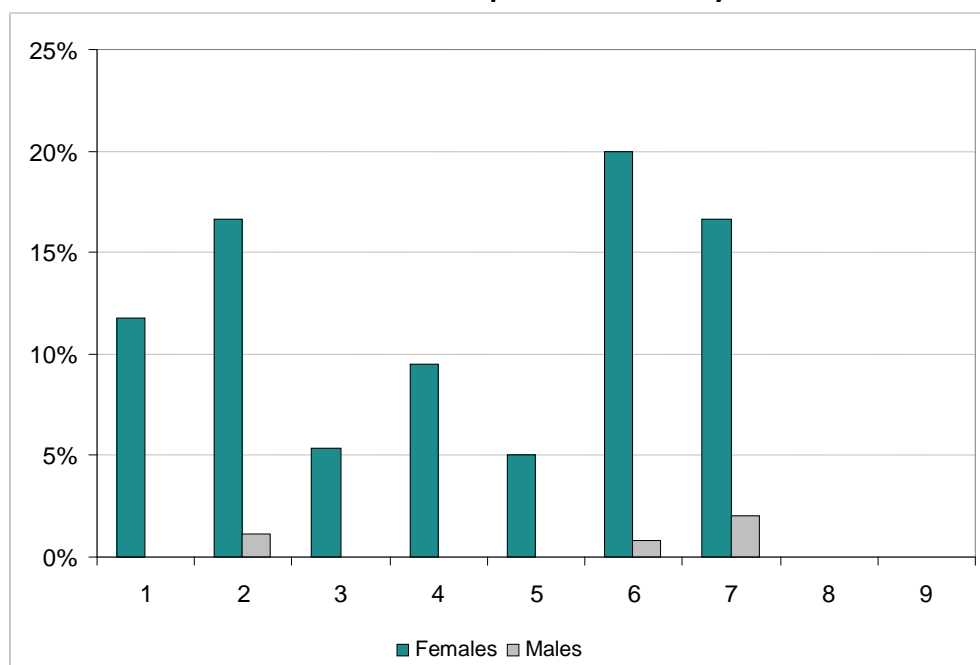
Table 5.2 Incidence and percentage of part time work by level

Status	Gender	1	2	3	4	5	6	7	8	9	Grand Total
Full time	F	30	45	53	38	38	16	5	1		226
	M	41	87	142	74	132	127	95	48	5	751
Full time Total		71	132	195	112	170	143	100	49	5	977
Part time	F	4	9	3	4	2	4	1			27
	M		1				1	2			4
Part time Total		4	10	3	4	2	5	3			31
Grand Total		75	142	198	116	172	148	103	49	5	1008

Percentage of employees that work part time	5.3%	7.0%	1.5%	3.4%	1.2%	3.4%	2.9%	0.0%	0.0%	3.1%
Percentage of females that work part time	11.8%	16.7%	5.4%	9.5%	5.0%	20.0%	16.7%	0.0%	0.0%	10.7%
Percentage of males that work part time	0.0%	1.1%	0.0%	0.0%	0.0%	0.8%	2.1%	0.0%	0.0%	0.5%

Chart 5.1 (below) shows the incidence of part time work by level and gender graphically. It shows the small number of males working part time at levels 2, 6 and 7, with no males working part time at other levels. In contrast, female employees are working part time across levels 1 to 7 with the majority at levels 2, 6 and 7.

Chart 5.1 Incidence of part time work by level



5.3 Rate of part time work by section

Table 5.3 and Chart 5.2 indicate the rate of part time work in each section of Model Agency. There is one section without any employees working part time (Director's Office). The other sections range from the 2.4% of staff working part time (Organisational Development) to 4.2 per cent (IT).

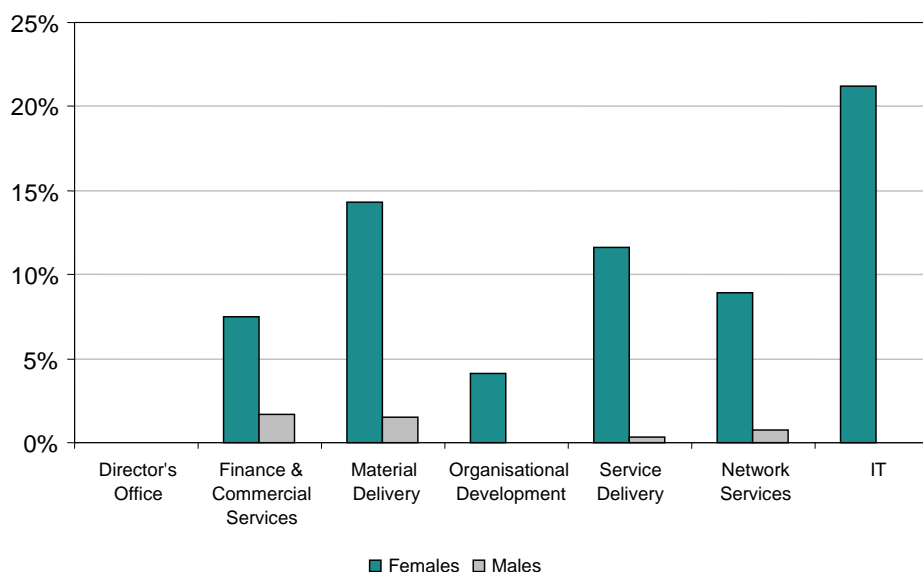
In IT, 21 per cent of females work part time while no males were working part time. In Material Delivery (MD) and Service Delivery (SD) similar trends were found. In MD, 14 per cent of females work part time with less than 2 per cent of males working part time. In SD, 12 per cent of females work part time and less than 1 per cent of the males work part time.

Table 5.3 Incidence and percentage of part time work by section and by gender

Status	Gender	Director's Office	Finance & Commercial Services	Material Delivery	Organisational Development	Service Delivery	Network Services	IT	Grand Total
Full time	F	11	37	12	23	76	41	26	226
	M	9	59	66	18	327	138	134	751
Total		20	96	78	41	403	179	160	977
Part time	F		3	2	1	10	4	7	27
	M		1	1		1	1		4
Part time Total			4	3	1	11	5	7	31
Grand Total		20	100	81	42	414	184	167	1008

Percentage of employees that work part time	0.0%	4.0%	3.7%	2.4%	2.7%	2.7%	4.2%	3.1%
Percentage of females that work part time	0.0%	7.5%	14.3%	4.2%	11.6%	8.9%	21.2%	10.7%
Percentage of males that work part time	0.0%	1.7%	1.5%	0.0%	0.3%	0.7%	0.0%	0.5%

Chart 5.2 Rate of part time work by section



5.4 Rate of part time work by age

Table 5.4 (below) shows the rate of part time work by age cohort. Among females, there are two age cohorts with relatively high proportions of employees working part time. These are 35-44 and 60-64. Among males, these are also the cohorts with the largest proportions of part time workers, but the proportions are much lower (1.5 per cent and 1.3 per cent respectively).

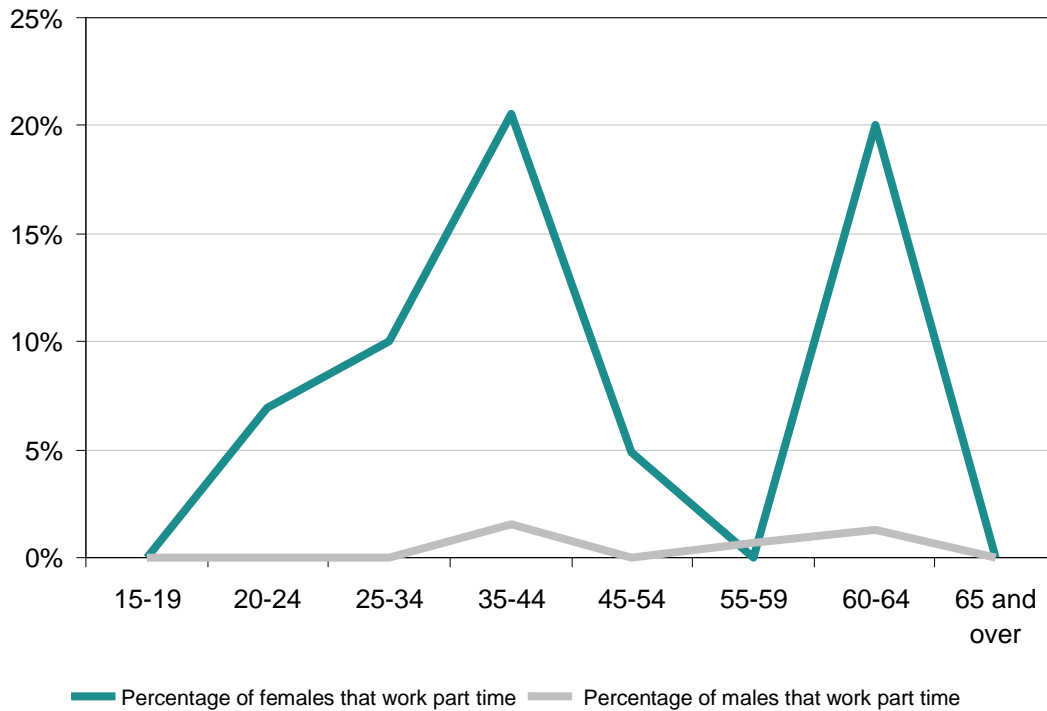
Table 5.4 Incidence and percentage of part time work by age and by gender

Status	Gender	15-19	20-24	25-34	35-44	45-54	55-59	60-64	65 and over	Grand Total
Full time	F	1	27	54	54	58	21	8	3	226
	M	1	28	83	131	267	143	75	23	751
Full time Total		2	55	137	185	325	164	83	26	977
Part time	F		2	6	14	3		2		27
	M				2		1	1		4
Part time Total			2	6	16	3	1	3		31
Grand Total		2	57	143	201	328	165	86	26	1008

Percentage of employees that work part time	0.0%	3.5%	4.2%	8.0%	0.9%	0.6%	3.5%	0.0%	3.1%
Percentage of females that work part time	0.0%	6.9%	10.0%	20.6%	4.9%	0.0%	20.0%	0.0%	10.7%
Percentage of males that work part time	0.0%	0.0%	0.0%	1.5%	0.0%	0.7%	1.3%	0.0%	0.5%

Chart 5.3 (below) shows the peaks and troughs of part time work graphically.

Chart 5.3 Rate of part time work by age



5.5 Rate of purchased leave by gender

Table 5.5 (below) shows the incidence of purchased leave by gender. A very small percentage (2 per cent) of all employees took purchased leave in 2012. Proportionately more females (2.5 per cent) than males (1.9 per cent) took purchased leave. However in terms of total numbers, more males (14) than females (6) took purchased leave.

Table 5.5 Gender by incidence and average of purchased leave

Gender	Data	Total	Total N & % Incidence
F	Count of Purchased Leave	6	238
	Average of Purchased Leave	\$3,178.91	2.5%
M	Count of Purchased Leave	14	739
	Average of Purchased Leave	\$3,512.47	1.9%
Total Count of Purchased Leave		20	977
Total Average of Purchased Leave		\$3,412.40	2%

6. Allowances and overtime

6.1 Travel allowance

Table 6.1 (below) shows the difference in the payment of travel allowances between females and males. More males (65 per cent) than females (43 per cent) were paid a travel allowance. The average of travel allowance paid to male employees (\$5,374) was almost double that paid to female employees (\$2,741). Approximately 60 per cent of all employees were paid travel allowances in 2012.

Table 6.1 Incidence and average travel allowance paid by gender

Gender	Data	Total	Total N and % Travel Paid
F	Count of Travel	102	238
	Average of Travel	\$2,740.64	42.8%
M	Count of Travel	478	739
	Average of Travel	\$5,373.82	64.7%
Total Count of Travel		580	977
Total Average of Travel		\$4,910.74	59.3%

6.2 Specific overtime

Table 6.2 (below) shows the difference in specific overtime paid that is based on special projects. About 40 per cent of females received this overtime pay, compared with 35 per cent of males. Males' average overtime pay was \$1423 higher than females' average overtime pay.

Table 6.2 Incidence and average specific overtime paid by gender

Gender	Data	Total	Total N and % Taking Overtime
F	Count of Specific Overtime	96	238
	Average of Specific Overtime	\$6,071.11	40.3%
M	Count of Specific Overtime	255	739
	Average of Specific Overtime	\$7,493.62	34.5%
Total Count of Specific Overtime		351	977
Total Average of Specific Overtime		\$7,107.51	35.9%

6.3 Higher Duties allowance

Table 6.3 shows the incidence and average payment of higher or acting duties allowance by gender. Females had a higher incidence (46.6 per cent) of higher duties allowance than males (38.8 per cent). Females also had a higher average payment (\$3607) than males (\$2841) for higher duties allowance. Overall, 41 per cent of all employees were on higher duties allowance in 2007.

Table 6.3 Incidence and average of higher duties allowance by gender

Gender	Data	Total	Total N and % HDA
F	Count of HDA	111	238
	Average of HDA	\$3,607.43	46.6%
M	Count of HDA	287	739
	Average of HDA	\$2,841.36	38.8%
Total Count of HDA		398	977
Total Average of HDA		\$3,055.01	40.7%

7. Section analyses

Section 7.1 examines the GPG and proportion of females and males within the branches of the Service Delivery Section. Section 7.2 compares the GPG in the Financial and Commercial Services section with the averages in the Finance and Insurance industry in WA and Australia.¹⁰

These two sections were selected for analysis because one had the largest number of employees and the other could be compared to similar industries in WA and Australia.

7.1 Service Delivery Section

Table 7.1 (below) examines the gender pay gap of each branch in the Service Delivery Section and shows the proportion of each branch's staff that is female. The largest GPGs are in the Service Delivery Section (40.9 per cent) and the Wheatbelt North (30.2 per cent). The smallest GPGs are in the Wheatbelt South (11.2 per cent) and the Mid-West (14.8 per cent). These GPGs are illustrated graphically in Chart 7.1 (overleaf).

¹⁰ The activities of the Financial and Commercial Services may not entirely correspond to those of the Finance and Insurance industries generally. However, it is the closest available industry comparator in ABS statistics, and provides some basis for comparison.

Table 7.1 Gender pay gap and density of females in the Service Delivery Section

Gender	Data	Gascoyne Region	Goldfields-Esperance Region	Great Southern Region	Kimberley Region	Metropolitan Region	Mid West Region
F	Average of Salary	\$54,795	\$54,386	\$51,198	\$50,275	\$57,396	\$57,505
	Count of Gender	6	9	4	10	17	5
M	Average of Salary	\$66,194	\$67,061	\$65,443	\$63,986	\$73,776	\$67,488
	Count of Gender	20	17	36	28	62	20
Total Average of Salary		\$63,563	\$62,673	\$64,019	\$60,378	\$70,251	\$65,491
Total Count of Gender		26	26	40	38	79	25

Gender pay gap	17.2%	18.9%	21.8%	21.4%	22.2%	14.8%
Density of females	23.1%	34.6%	10.0%	26.3%	21.5%	20.0%
Density of males	76.9%	65.4%	90.0%	73.7%	78.5%	80.0%

Gender	Data	Pilbara Region	Service Delivery Section	South West Region	Wheatbelt North Region	Wheatbelt South Region	Grand Total
F	Average of Salary	\$55,067	\$56,782	\$53,741	\$48,354	\$59,185	\$54,345
	Count of Gender	6	2	11	9	7	86
M	Average of Salary	\$68,685	\$93,498	\$66,590	\$69,257	\$66,742	\$69,556
	Count of Gender	18	18	54	37	18	328
Total Average of Salary		\$65,281	\$89,827	\$64,415	\$65,167	\$64,626	\$66,396
Total Count of Gender		24	20	65	46	25	414

Gender pay gap	19.8%	39.3%	19.3%	30.2%	11.3%	21.9%
Density of females	25.0%	10.0%	16.9%	19.6%	28.0%	20.8%
Density of males	75.0%	90.0%	83.1%	80.4%	72.0%	79.2%

Chart 7.1 GPG in Service Delivery Section by Branch

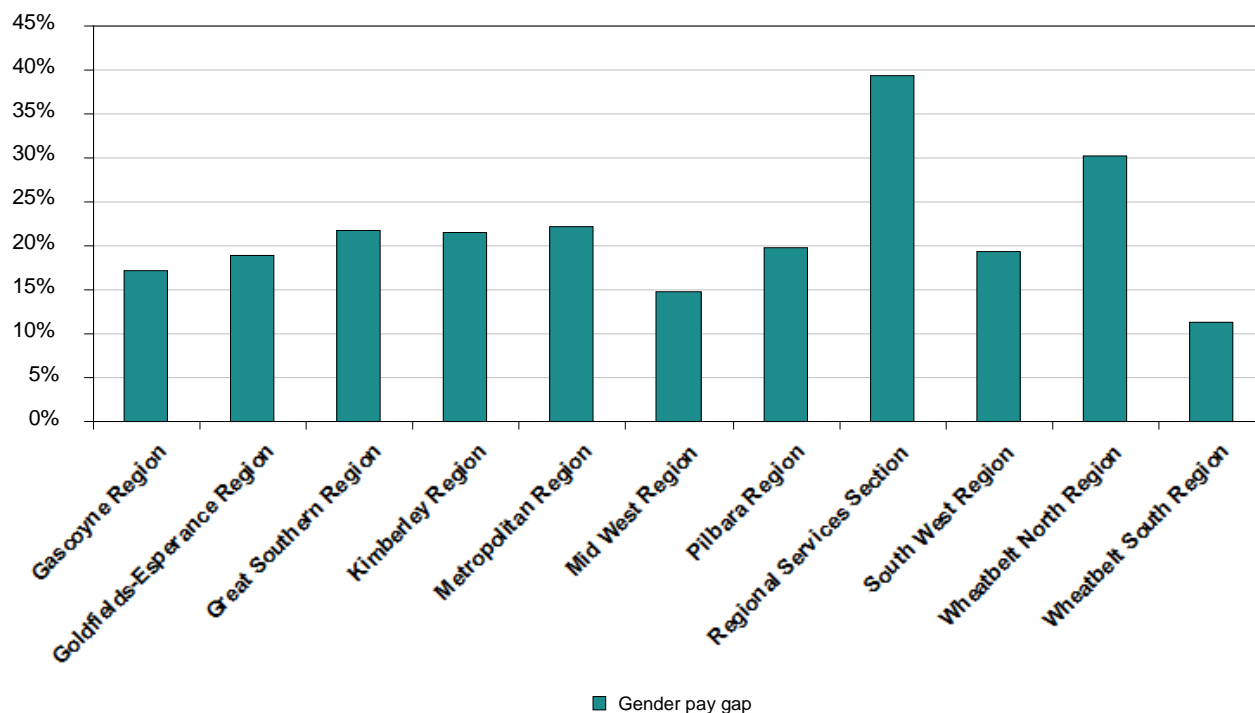
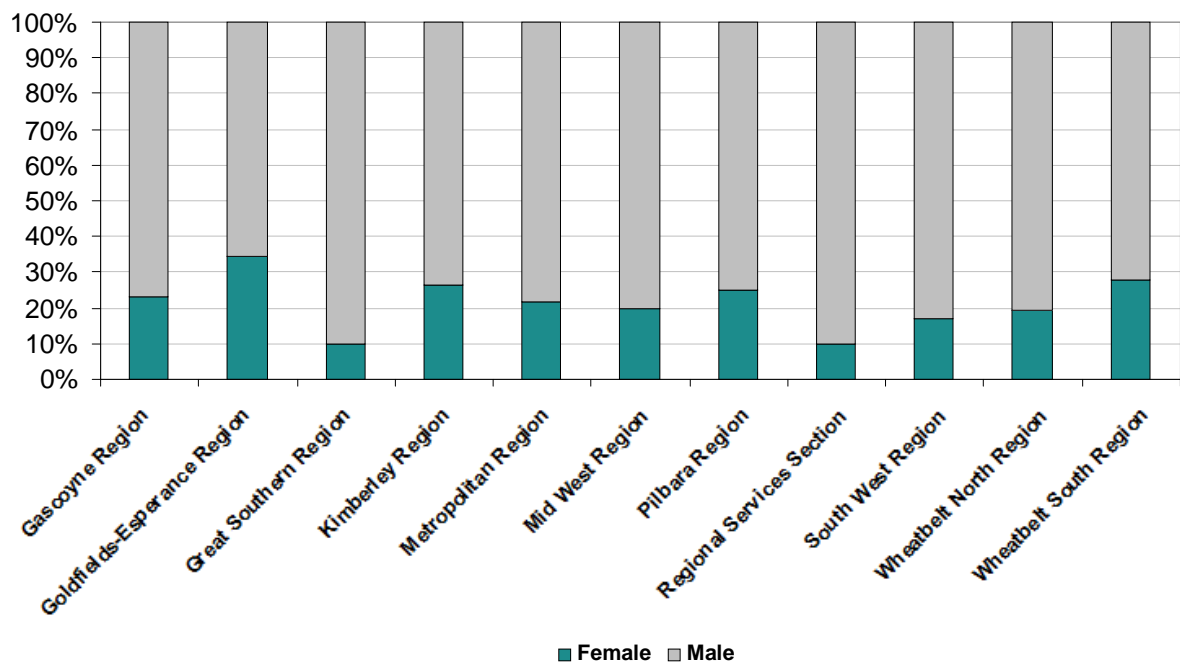


Chart 7.2 (below) shows the density of females for each branch.

Chart 7.2 Gender profile of branches within Service Delivery Section



7.2 Financial and Commercial Services

This section examines the gender pay gap, density of females, and rate of part time work in the Financial and Commercial Services (Model Agency F&CS). Each of these is compared with the average for the Finance and Insurance industry in WA and nationally. Table 7.2 (below) shows that the GPG in Model Agency F&CS (27.5 per cent) is lower than the industry average for WA (33.9 per cent¹¹) and Australia (32.2 per cent¹²). Model Agency F&CS employs a lower proportion of females (39.6 per cent) than the industry average for WA (60.5 per cent) or Australia (56.7 per cent) and has a much lower rate of part time work.¹³ Each of these indicators is illustrated graphically in Charts 7.3, 7.4 and 7.5 (overleaf).

¹¹ ABS, *Average Weekly Earnings*, Full time adult average weekly ordinary time earnings by Industry Division and Sex, WA, August 2012, 9941.0 (unpublished).

¹² ABS, *Average Weekly Earnings*, Full time adult average weekly ordinary time earnings by gender and industry, Australia, February 2012, 6302.0

¹³ ABS, *Labour Force*, Employed Persons by Sex, Industry, State, Status in Employment, May 2012, 6291.0.55.003 E06_nov84.

Table 7.2 Model Agency F&CS compared with industry averages

Status	Gender	Data	Total
Full time	F	Average of Salary	\$59,861
		Count of Gender	37
	M	Average of Salary	\$74,425
		Count of Gender	60
Full time Average of Salary			\$68,870
Full time Count of Gender			97
Part time	F	Average of Salary	\$56,269
		Count of Gender	3
	M	Average of Salary	\$85,796
		Count of Gender	1
Part time Average of Salary			\$63,651
Part time Count of Gender			4
Total Average of Salary			\$68,663
Total Count of Gender			101

	Model Agency F&CS	Industry Ave (WA)	Industry Ave (Aust.)
Gender pay gap	27.5%	33.9%	32.2%
Density of females	39.6%	60.5%	56.7%
Density of males	60.4%	39.5%	43.3%
Percentage of employees that work part time	4.0%	24.0%	17.8%

Chart 7.3 GPG in Model Agency F&CS compared with industry averages

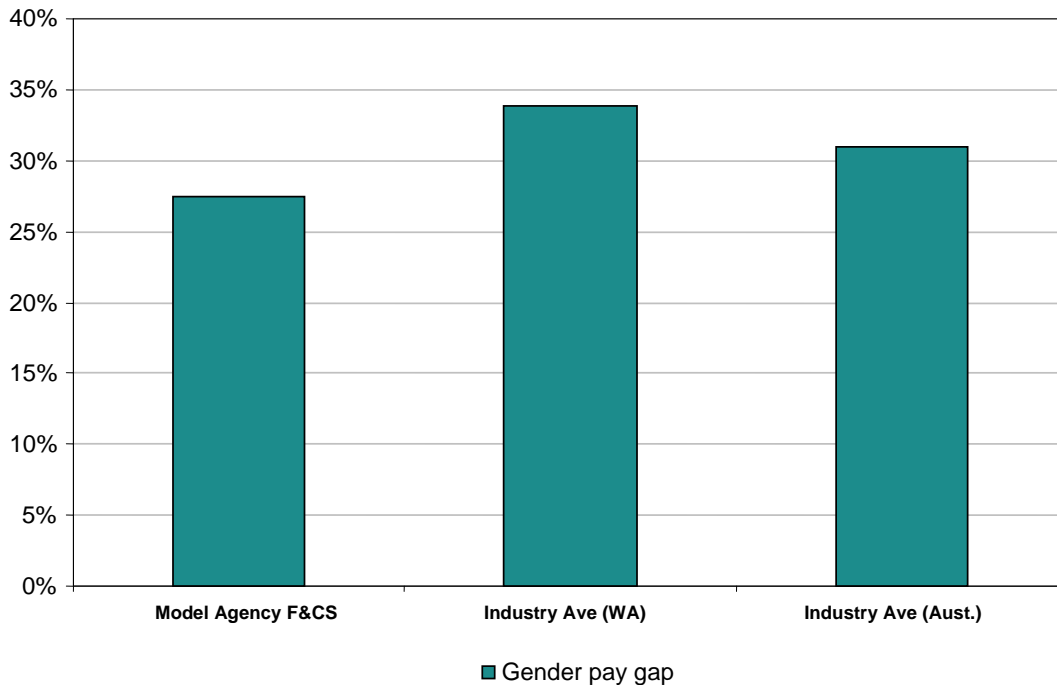


Chart 7.4 Proportion of Model Agency F&CS compared with industry averages

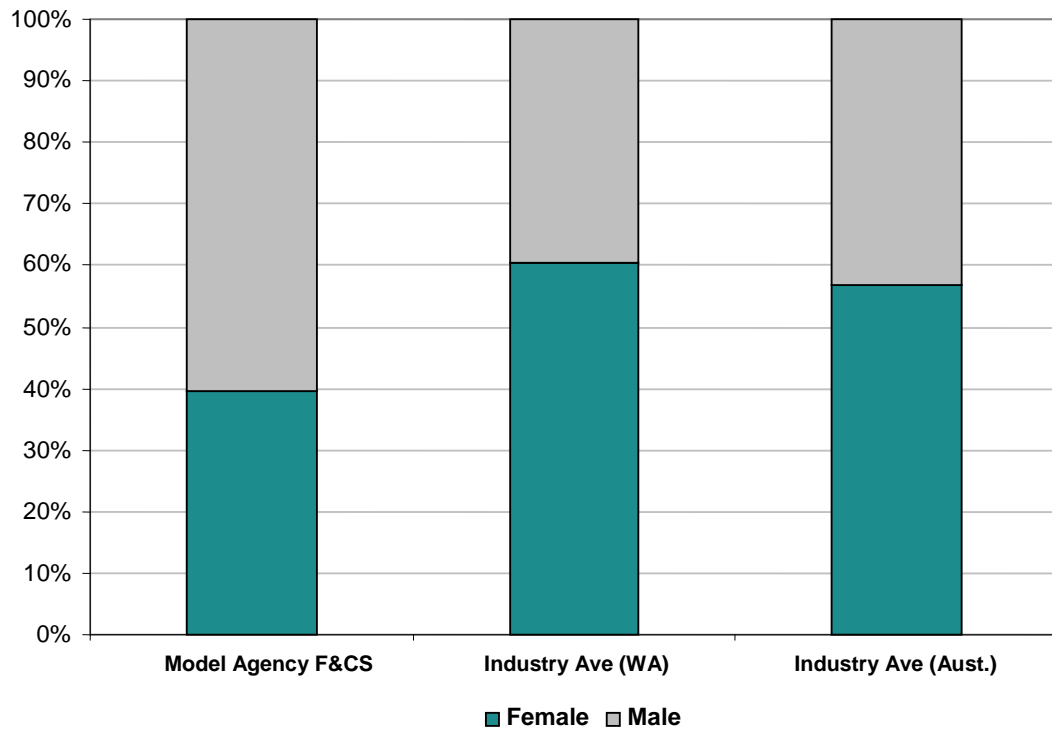
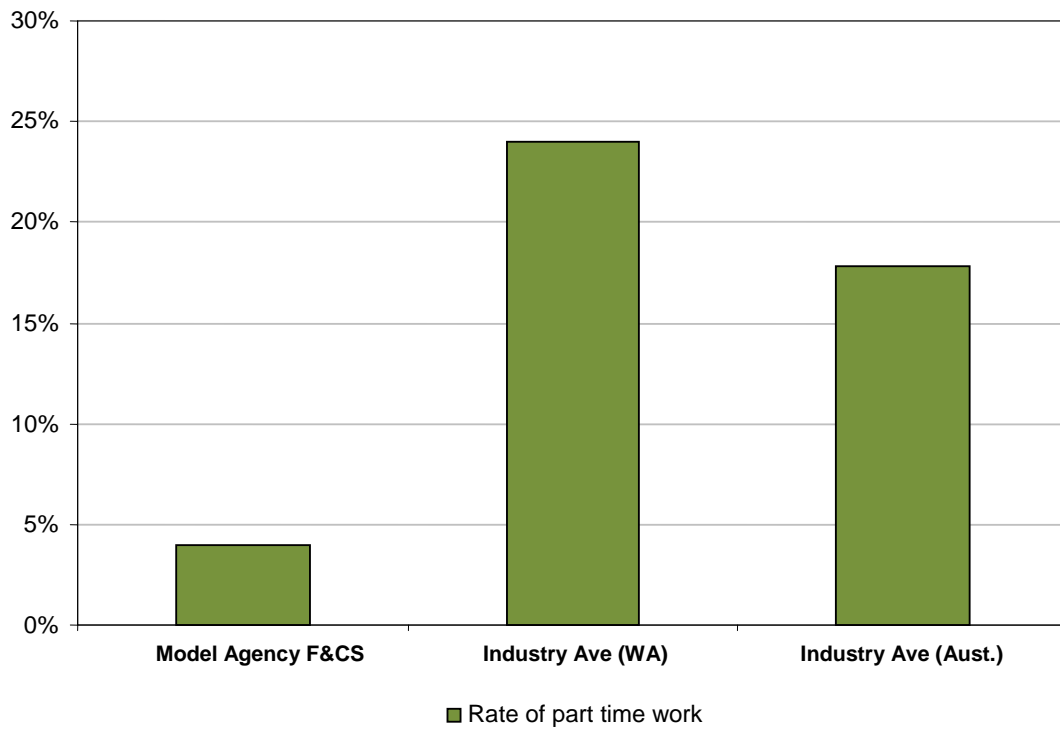


Chart 7.5 Rate of part time work in Model Agency F&CS compared with industry averages



8. Strategies

8.1 Gender pay gap overall and by section

Background

The overall GPG for Model Agency is 18.6 per cent and after eliminating the outliers it is 17.8 per cent. This is 0.5 percentage points higher than the public sector average at 17.3 per cent and 1.1 percentage points higher than the largest WA public sector agencies at 16.7 per cent.

Model Agency may want to start tackling this rather large gender pay gap by focusing on those sections that have the largest average pay gaps, which are the Director's Office at 33 per cent, Material Delivery at 30 per cent, Service Delivery at 22 per cent and Finance & Commercial Services at 19 per cent. In two of these areas the density of females is below 25 per cent: Material Delivery at 17.3 per cent and Service Delivery at 20.8 per cent. Among the latter, those with the largest GPGs were Service Delivery Section (40.9 per cent) and Wheatbelt North (30.2 per cent).

8.2 Gender pay gap by level

Background

There were no significant pay gaps within classification levels. The highest pay gap was one of 2 per cent at level 1 that may need further investigation. This section also identified the density of females and males at each level. It showed that more than 75 per cent of employees at levels 5 and 6 are male and more than 90 per cent of employees at levels 7 to 9 are male.

Strategy 1: Determine if the pay gap at level 1 is due to different starting salaries based on experience or qualifications or other factors that have contributed to the pay gap in favour of males.

Strategy 2: Investigate the decline of females in the organisation above level 4 through qualitative research. This might involve focus groups at levels 3 & 4 and 6 & 7 to determine if there are cultural factors in the workplace that may be leading to this decline. More in-depth exit interviews should be conducted to determine why individuals choose to leave the organisation with a focus on women

Strategy 3: To encourage women into senior positions, initiate mentoring and networking programs.

8.3 Flexible working arrangements

Background

Part time work and purchased leave were examined in this section. The rate of part time work is significantly lower in Model Agency (3 per cent) compared with the average for the WA Public Sector (30 per cent). Within Model Agency, females have the highest incidence of part time work and most often at levels 2, 6 and 7. Only a small number of males works part time and they are at the same levels, 2, 6 and 7. No males are working part time at the other levels whereas females work part time across levels 1 to 7. No one works part time at levels 8 or 9. The age groups with the highest proportions of employees who work part time are 35-44 and 60-64. No employees work part time in the Director's Office. IT has the largest number of females working part time.

A very small percentage (2 per cent) of all employees took purchased leave in 2012.

Strategy 4: Investigate by undertaking a survey on work/life balance implementation and take-up to discover if there are cultural reasons in the workplace why there is such a low incidence of part time work and utilisation of other flexible workplace practices in the organisation.

Strategy 5: Undertake a training program for managers in the supervision of part time employees. An area to target for the first training session could be the Financial and Commercial Services where there are comparable figures with industry averages showing much higher rates of female density and five times higher rates of part time work.

Strategy 6: In recruitment and retention, emphasise flexible working arrangements in Model Agency and have a target to increase part time work. When advertising positions, a statement about the availability of part time work and job sharing should be emphasised in the advertisement.

Strategy 7: Investigate a wider range of flexible work arrangements that could be introduced into the workplace, including home based work, flexible arrangements for taking leave, term time work, a workplace family room, and a breastfeeding room. Ensure that these flexible work arrangements are available for employees at all levels, including management.

8.4 Allowances and overtime

Background

More males (65 per cent) than females were paid a travel allowance and the average paid to male employees (\$5,374) was almost double that paid to female employees (\$2,741).

There was little difference in the commuted overtime pay between genders. However, there was a difference in specific overtime time with males receiving higher pay. Although more females (40 per cent) compared with males (35 per cent) received specific overtime, males overtime pay was \$1423 higher than females' average overtime pay for special projects.

A high percentage (41 per cent) of all employees was on higher/acting duties allowance in 2007. Females had a higher incidence (47 per cent) compared with males (39 per cent) of acting in higher positions. Females also had a higher average payment (\$3607) than males (\$2841). It is not clear whether this is because they acted for a longer period of time or in higher level positions or both. There is no record of whether males or females were then successful in converting their period of acting in a position into a permanent position at a higher level.

Strategy 8: Investigate further the payment of travel allowances to males and females to determine whether the large gender pay gap in allowances is justified.

Strategy 9: Investigate whether the gender pay gap in specific overtime is justified.

Strategy 10: Investigate why there are differences in higher /acting duties allowances and what happens afterwards to individuals who hold acting positions to determine how often they are successful in converting their acting roles into permanent positions at a higher level.