FUTURE SKILLS ORGANISATION
Finance Technology Business

Consultation Paper

Gender Equality in the FTB Workforce:

Challenges and Opportunities

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Executive Summary

Gender equality in the workplace ensures fair opportunities and outcomes for both men and women.

Recognised through key indicators by the Workplace Gender Equality Agency (WGEA), achieving gender equality involves various measures, including equal pay, flexible working arrangements and policies against discrimination and harassment. Despite progress, the persistence of the gender pay gap underscores the need for continued efforts, supported by regulatory measures such as the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023.

Understanding the workforce dynamics in the Finance, Technology, and Business (FTB) sectors is crucial for addressing disparities and fostering a more inclusive workplace culture in these workforces. By implementing strategies to close the gender pay gap and challenging gender stereotypes, organisations can promote fairness and enhance overall organisational success.

WGEA data is one, albeit important, indicator of gender equality. Of note, WGEA data is released each November and is captured from non-public sector companies with 100 or more employees and includes a range of indicators.[1]

In November 2023, it was reported that the largest median gender pay gap is in Professional, Scientific, and Technical Services (26.1%) which, for the purposes of this Workforce Plan, is considered part of the Business Support Sector. However, in Public Administration and Safety, the median gender pay gap is only 2.3%.[2]

Recent data reveals that half of the top 10 companies with the largest gender pay gaps, which range from 29.9% to over 40%, are in the Finance sector. These figures are high when compared with the national median gender pay gap of 19%.[3] The median gender pay gap in the financial and insurance services industry stands at 26.1%, again higher than in many other major industries in the country. For example, Public Administration and Safety has a median gender pay gap of 2.3%.[4] The data suggests that occupational segregation continues to be a challenge in the finance sector. Women are represented less in high-paying roles like investment banking and trading, and more commonly found in lower-paying support functions. This vertical segregation contributes to the overall gender pay gap within the industry.

[1] What is the gender pay gap? | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/what-is-the-gender-pay-gap
[2] The ABS data gender pay gap | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/the-abs-data-gender-pay-gap
[3] Australia's Gender Pay Gap Exposed | Forbes Australia (2024).Available at: https://www.forbes.com.au/news/careers/australias-gender-pay-gap-exposed/
[4] Data Explorer | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/data-statistics/data-explorer

Women in finance can face barriers to career advancement and promotion into senior leadership roles, despite comprising 61% of all occupations within the finance sector[5] and just under 50% (as of 2021) of the workforce in the Financial and Insurance Services Industry[6]. Addressing these disparities while also retaining and promoting more women in senior finance roles, could unlock substantial economic potential and productivity gains for Australia.[7]

The technology sector also has some larger than industry average gender pay gaps, with differences reported among major tech companies. Twenty-one per cent of technology occupations are occupied by women[8], which is lower than the average across all occupations (48%)[9]. This low participation rate may be partly attributable to the pay gap in the sector. Median pay gaps above 15% are common, with some companies surpassing 50%.

Within the top 5 tech companies in Australia, the median gender pay gap typically falls within the range of 15-20%. The combination of unconscious hiring biases, salary negotiation dynamics, occupational segregation, lack of advancement and cultural issues all contribute to the sizable gender pay gap observed in the Australian tech industry[10]. This continued gap has consequences for talent attraction and retention, economic equality, workplace diversity, company culture and the broader economic benefits the sector could provide.[11]

[5]Future Skills Organisation (2024) Initial Workforce Plan. Available at: https://www.futureskillsorganisation.com.au/initial-workforce-plan

[6]2021 Census - employment, income and education 4-digit level INDP Industry of Employment by SEXP Sex

[7]Why Bonuses Are a Real Problem Behind the Gender Pay Gap | Financial Review (2023). Available at: https://www.afr.com/wealth/personal-finance/why-bonuses-are-a-real-problem-behind-the-gender-pay-gap-20230710-p5dn2u; Gender Pay Gap in Insurance Industry Shrinks But Still Exists | Insurance Journal (2022). Available at https://www.insurancejournal.com/news/international/2022/12/12/699012.html; 20 Australian Businesses and Their Gender Pay Gaps According to New Data from WGEA | Women's Agenda (2024).Available at: https://womensagenda.com.au/latest/20-australian-businesses-and-their-gender-pay-gaps-according-to-new-data-from-wgea/; Australia's Gender Pay Gap Exposed | Forbes Australia (2024). Available at: https://www.forbes.com.au/news/careers/australias-gender-pay-gap-exposed/

[8]Future Skills Organisation (2024) Initial Workforce Plan. Available at: https://www.futureskillsorganisation.com.au/initial-workforce-plan

[9]ABS, Labour Force Survey, 2023, four-quarter average, customised report

[10]IT Brief Australia, (2024). Available at https://itbrief.com.au/

[11]Not Helpful or Accurate': Tech CEOs Hit Out at Gender Pay Gap Data | Financial Review (2024). Available at: https://www.afr.com/technology/not-helpful-or-accurate-tech-ceos-hit-out-at-gender-pay-gap-data-20240304-p5f9j8; Major Gender Pay Gaps in Australian Tech Firms | Australian Computer Society (2024). Available at: https://ia.acs.org.au/article/2024/major-gender-pay-gaps-in-australian-tech-firms.html

Workplace Gender Equality

Gender equality in the workplace means having **"broadly equal opportunities and outcomes for women and men; not necessarily outcomes that are exactly the same."**[12]

The WGEA uses six indicators[13] to assess the gender equality of organisations with 100 or more employees:

- Gender composition of the workforce.
- Gender composition of boards or governing bodies of relevant employers.
- Equal remuneration between women and men.
- Having employment policies, conditions and actions relating to flexible working arrangements such as parental leave.
- How, when and how often employers engage with employees on issues relating to workplace gender equality.
- Having policies, strategies and actions to prevent and respond to sexual harassment, harassment on the ground of sex or discrimination in the workplace.

Tackling Gender Disparity in ICT Leadership Roles

The Project Roar Tasmanian Emerging Leadership Program[14], a joint initiative by Project Roar[15] and Red Apple IT[16], aimed to tackle the issue of gender disparity in executive leadership roles, where only 16% are held by women.

"Project Roar gives women the tools, information and confidence they need to be competitive in their industry and discipline, providing practical solutions so women know what to do and how to do it to set themselves up for success," says Catherine Harris[17], Managing Director, Project Roar.

"The program has proven that it is possible to change the status quo and empower women to be agents of change in their own career and industry."

Read the full case study here.[18]

[12]Workplace Gender Equality | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/about/workplace-gender-equality
[13]6 Gender Equality Indicators | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/pay-and-gender/6-gender-equality-indicators
[14]https://www.redappleit.com.au/projectroartas
[15]https://www.projectroar.com.au/
[16]https://www.redappleit.com.au/
[17]https://www.linkedin.com/in/catherine-harris-nee-ward/
[18]https://www.futureskillsorganisation.com.au/tackling-gender-disparity-in-ict-leadership-roles

Why is Workplace Gender Equality Important?

Gender equality within a workplace is not only fair, but it also boosts a country's economic performance and is associated with[19]:

- Improved national productivity and economic growth.
- Increased organisational performance.
- Enhanced ability of companies to attract talent and retain employees.
- Enhanced organisational reputation.

Achieving Workplace Gender Equality Requires...

- Employers to provide equal pay for work of equal or comparable value.
- Employers to remove barriers to the full and equal participation of women in the workforce.
- Access to all occupations and industries, including leadership roles, regardless of gender.
- The elimination of discrimination on the basis of gender, particularly in relation to family and caring responsibilities[20].

What is the Gender Pay Gap?

- The gender pay gap (GPG) is a key indicator of gender equality within a workplace and is a measure of how the contributions of women and men in the workforce are valued.

It is not the same as equal pay.

- Since 1969, it has been illegal to pay women less than men for doing the same role or different work of equal or comparable value.[21]
- The gender pay gap shows the difference between the average or median pay of women and men across organisations, industries and workplaces as a whole.
- For 2022-23, the average total remuneration gender pay gap nationally was 21.7%, meaning that for every $1 a man earnt, a woman earnt 78c.

This is the lowest it has been in a decade, most likely because of greater momentum and focus on gender equality and a tight labour market.[22][23]

[19] Gender Equality and the Workplace Education Resources | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/pay-and-gender

[20] Ibid

[21] What is the Gender Pay Gap? | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/the-gender-pay-gap

[22] 6 Gender Equality Indicators | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/pay-and-gender/6-gender-equality-indicators

[23] Australia's Gender Equality Scorecard 2022-23 | Workplace Gender Equality Agency (p. 37, 2024). Available at: wgea.gov.au

Many factors contribute to the gender pay gap, including the types of roles typically performed by women, the seniority level of those roles and the overall composition of the workforce. Part-time and casual roles, which tend to be lower paid, also significantly contribute to this gap.

Understanding these broader influences is crucial for addressing the complexities of the gender pay gap and implementing effective strategies to achieve gender equality in the workplace.

Employers should aim to have a median gender pay gap within the target range of -5% and +5%.

(Note: A positive GPG percentage indicates men earn more on average than women, while a negative percentage suggests the opposite)[24].

Regulatory and Legislative Requirements

In March 2023, parliament passed the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023 which aims to address gender pay disparities. Its key provisions include enabling the WGEA to publish gender pay gaps of private and Commonwealth companies with over 100 employees, enhancing transparency in pay data. The bill responds to a 2021 review of the Workplace Gender Equality Act 2012, indicating slow progress in closing Australia's gender pay gap by requiring individual employer data publication, alongside executive summaries and industry benchmark reports.[25]

Under the Workplace Gender Equality Act 2012, all Australian employers with 100 or more employees must report their gender equality data to WGEA annually. From the 1st of February 2024, Australian companies with 100 staff or more are required to publish their GPG[26].

The Gender Equality Act 2020[27] requires the Victorian public sector, universities and local councils with more than 50 employees to complete the following: promote gender equality, conduct gender impact assessments and undertake a workplace gender audit. [28]

[24]Gender Equality and the Workplace Education Resources | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/pay-and-gender

[25]Ibid

[26]What is the Gender Pay Gap? | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/the-gender-pay-gap

[27]6 Gender Equality Indicators | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/pay-and-gender/6-gender-equality-indicators

[28]Australia's Gender Equality Scorecard 2022-23 | Workplace Gender Equality Agency (p. 37, 2024). Available at: wgea.gov.au

Why is Workplace Gender Equality Important for Finance, Technology and Business (FTB)?

Understanding the composition and dynamics of the FTB workforce is crucial for addressing the gender pay gap across Finance, Technology and Business occupations and industries:

- Women make up 59% of the FTB workforce, surpassing the average across all occupations.[29]
- A higher representation of women is seen in finance occupations (61%) and business occupations (59%)[30]. Despite the higher representation, many women in finance and business occupations occupy lower-paying positions, indicating a skewed distribution within the pay quartiles.
- Conversely, in technology occupations, women make up only 21% of the workforce, significantly lower than the average across all occupations.[31]

[29]Future Skills Organisation (2024) Initial Workforce Plan. Available at: https://www.futureskillsorganisation.com.au/initial-workforce-plan

[30]Ibid

[31]Ibid

Graphic 1: Key Insights Example – Finance

KEY INSIGHTS

FROM A TOP AUSTRALIAN FINANCE COMPANY

Gender Pay Gaps

Median Base Salary: **29.8%**
Median Total Renumeration: **29.9%**

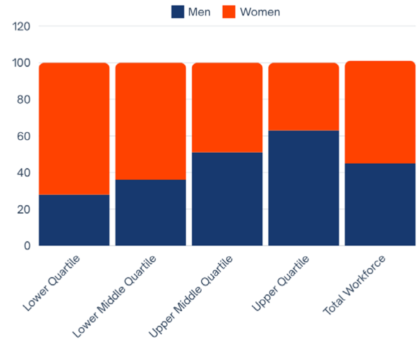
Gender Split of Parental Leave Taken for Universal / Primary Carer Leave

Managers: **64%** women and **36%** men
Non-Managers: **83%** women and **17%** men

Gender Split of Board Members and Chairs

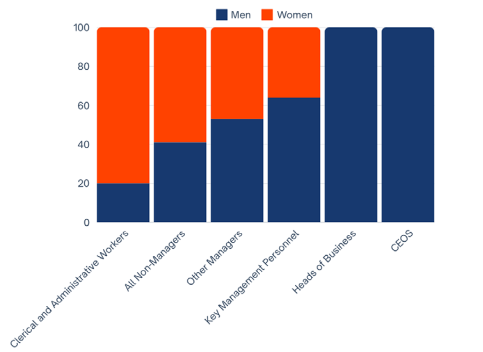
Chairs: **0%** women and **100%** men
Members: **50%** women and **50%** men

GENDER COMPOSITION BY INCOME QUARTILE



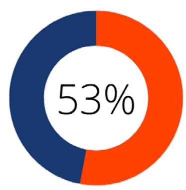
National: 61% of the workforce are women

GENDER SPLIT AND EMPLOMENT STATUS BY OCCUPATION



RESIGNATIONS

53 % of resignations are women



This employer DID consult employees on gender equality in the workplace
This company has 40,176 employees

Source: WGEA Data Explorer | WGEA by employer as determined by market capitlisation accessed 29 Jan 24

Over 50% of this company's total workforce is female, however there is minimal representation at the key management levels and in areas of influence within the company. In comparison, close to two-thirds of the female workforce filled roles in the lower pay quartile.
(WGEA Data Explorer | WGEA by employer as determined by market capitlisation)

Graphic 2: Key Insights Example – Technology

KEY INSIGHTS

FROM A TOP AUSTRALIAN TECHNOLOGY COMPANY

Gender Pay Gaps

Median Base Salary: 17.4%
Median Total Renumeration: 18.1%

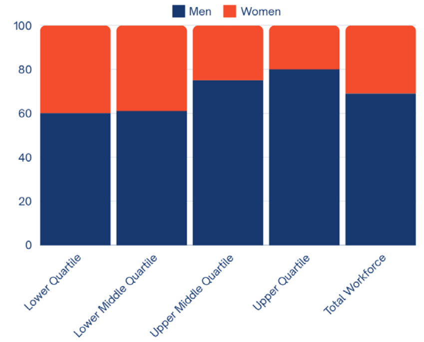
Gender Split of Parental Leave Taken for Universal / Primary Carer Leave

Managers: 39% women and 61% men
Non-Managers: 24% women and 76% men

Gender Split of Board Members and Chairs

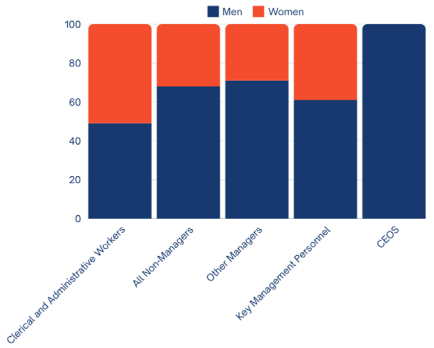
Chairs: 100% women and 0% men
Members: 36% women and 64% men

GENDER COMPOSITION BY INCOME QUARTILE



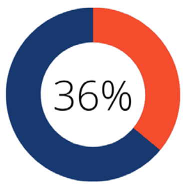
National: 21% of the workforce are women

GENDER SPLIT AND EMPLOMENT STATUS BY OCCUPATION



RESIGNATIONS

36 % of resignations are women



This employer DID NOT consult employees on gender equality in the workplace
This company has 3,471 employees

Source: WGEA Data Explorer | WGEA by employer as determined by market capitlisation accessed 29 Jan 24

31% of this company's total workforce is female, which is higher than the national average. (WGEA Data Explorer | WGEA by employer as determined by market capitlisation)

Graphic 3: Key Insights Example – Business

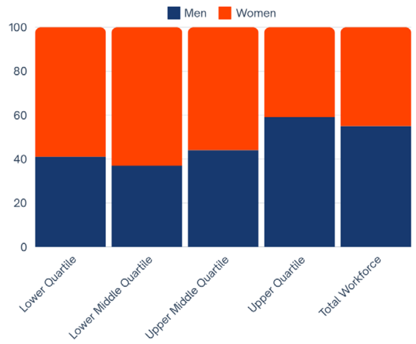
KEY INSIGHTS
FROM A TOP AUSTRALIAN BUSINESS EMPLOYER

Gender Pay Gaps
Median Base Salary: 5.7%
Median Total Renumeration: 5.7%

Gender Split of Parental Leave Taken for Universal / Primary Carer Leave
Managers: 97% women and 3% men
Non-Managers: 99% women and 1% men

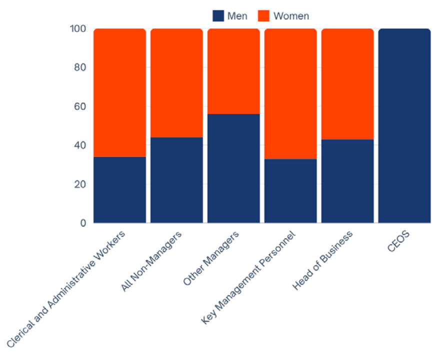
Gender Split of Board Members and Chairs
Chairs: 0% women and 100% men
Members: 56% women and 44% men

GENDER COMPOSITION BY INCOME QUARTILE



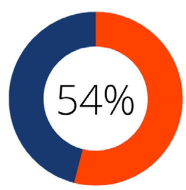
National: 59% of the workforce are women

GENDER SPLIT AND EMPLOMENT STATUS BY OCCUPATION



RESIGNATIONS

54% of resignations are women



This employer DID consult employees on gender equality in the workplace
This business has 175, 904 employees

Source: WGEA Data Explorer | WGEA by employer as determined by market capitlisation accessed 29 Jan 24

This business' GPG is close to the desired target range, with a more even distribution of men and women at key management levels. However, there is a large proportion of the female workforce taking primary carer leave compared to their male counterparts. (WGEA Data Explorer | WGEA by employer as determined by market capitlisation)

Conclusion

The gender pay gap presents a barrier to women's participation in FTB occupations, impeding progress toward gender equality in the workforce. There is research that suggests that traditional methods of just targeting women's employment may inadvertently add to this barrier.[32] Organisational strategies focused solely on increasing women's representation overlook the root causes of the gender pay gap.[33] Strategies should aim to address workforce and board gender diversity, ensure equal pay, support flexible work arrangements, engage with employees on gender equality, and combat workplace harassment and discrimination.[34]

An inclusive work environment requires a multifaceted approach. Examples of successful activities include:[35]

- Engaging leaders in conversations about gender pay gaps and implement change management strategies.
- Working with leaders and coaching staff on the value of equity practices across decision making, risk assessment, product design and development and measurement of outcomes.
- Conducting annual pay gap analyses beyond reporting requirements to identify underlying factors and biases and implementing any actions to address the gaps.
- Investing in capacity building, diversity initiatives and progress tracking to bridge pay gaps and promote inclusive workplace culture.
- Driving accountability for equity practices across the organisation – from the Board to the frontline, from business owners to suppliers through procurement policy.
- Incorporating gender impact assessments into organisational practices guides decision-making and ensures sustainable efforts to increase women's representation, benefiting all genders.

[32] Hallward-Driemeier, M., & Hasan, T. (2013). Gender-based Employment Segregation: Understanding Causes and Policy Interventions. World Bank

[33] A Guide to Evaluating the Gender Pay Gap | WHISE (2024). Available at: https://whise.org.au/resources/a-guide-to-evaluating-the-gender-pay-gap/; Australia's Gender Pay Data Revealed for First Time | ABC News (2024). Available at: https://www.abc.net.au/news/2024-02-27/australia-gender-pay-data-revealed-for-first-time/103487530

[34] 6 Gender Equality Indicators | Workplace Gender Equality Agency (2024). Available at: https://www.wgea.gov.au/pay-and-gender/6-gender-equality-indicators

[35] Including Gender: APS Guide to Gender Analysis and Gender Impact Assessment | Australian Government - Department of the Prime Minister and Cabinet (2024). Available at: https://www.pmc.gov.au/resources/including-gender-aps-guide-gender-analysis-and-gender-impact-assessment#:~:text=A%20Gender%20Impact%20Assessment%20will,the%20impact%20on%20gender%20equality; Gender Impact Assessment | European Institute for Gender Equality (2024). Available at: https://eige.europa.eu/gender-mainstreaming/toolkits/gender-impact-assessment?language_content_entity=en; Gender Impact Assessments | Gender Equality Commission Victoria (2024). Available at: https://www.genderequalitycommission.vic.gov.au/gender-impact-assessments

- A Gender Impact Assessment (GIA) serves as an effective initial step towards this goal. GIA facilitates better policy making by ensuring policies reach their target groups, mitigate potential pitfalls and maximise intended objectives. Moreover, it promotes transparency and accountability in governance by systematically assessing gender impacts, resulting in higher-quality and more relevant policies responsive to the needs of everyone. Additionally, GIA serves as a tool for learning, allowing policymakers to build capacity on gender equality through data accumulation and analysis, ultimately leading to policies with better gender equality outcomes.

- Implementing policies for equal pay and gender equality, addressing discriminatory legal practices.
- Fostering comprehensive understanding and addressing root causes of pay disparities to support career advancement and close the gender gap.[36]
- Improving access to mentorship and sponsorship opportunities, expanding flexible work options and challenging gender stereotypes can help level the playing field in finance, technology and business occupations.

[36]A Guide to Evaluating the Gender Pay Gap | WHISE (2024). Available at: https://www.wgea.gov.au/; Full List: The Gender Pay Gaps at Australia's Top 250 Companies | Financial Review (2024). Available at https://www.afr.com/work-and-careers/workplace/full-list-the-gender-pay-gaps-at-australia-s-top-250-companies-20240226-p5f7q7

FSO Suggested Future Activity

The data indicates a need to better understand the gender pay gap in FTB occupations. With a low proportion of women entering particularly the tech workforce, it highlights the importance of promoting pathways into these professions and investigating the factors that deter women from pursuing such careers and, retaining them. Both our consultation feedback and insights from the National Forum agree that this issue demands action from the FSO to address gender inequality within FTB ocupations and for us to build upon the evidence of good parctice informed by equity experts on sustainable solutions. Despite finance having the largest pay gap amongst our industries, the low interest and uptake in technology roles create an opportunity for the FSO in supporting a range of practical and strategic approaches including supporting equity in national skills and training policy, supporting the capacity building of our sector, as well as developing tailored pathways for women while addressing structural challenges in the sector.

Accordingly, we propose to:

Undertake an Intersectional Gender Equity Assessment on digital apprenticeship models. This would further our understanding and help to identify the unique challenges and barriers faced by women in the tech sector with the aim to ultimately create more inclusive and equitable pathways into tech occupations. It would also allow FSO to pilot, model and learn from the application a gender equity assessment process to apply to other industries, policies and practices.

What industry can do:

- Mentorship programs aimed at growing female leaders
- Review your organisations policy and procedures including the policy and practice for recruitment and job design and ensure that workplace gendered violence practice and policy is current and aligned with emerging practice
- Buid the capacity and capability of your workforce to lead, and create organisations that are equitable – this can include training on unconscious bias, bystander action and can extend to driving change through corporate culture and organisational development practices that advance equity
- Consider introducing reverse mentoring programs as part of building awareness and understanding of inequity in leadership
- Conduct a gender pay audit and implement strategies to address any findings
- Establish a zero-tolerance policy for harassment and discrimination
- Implementing remote work and flexible hours to accommodate diverse needs.
- Adopting an approach that recognises and respects diversity in our workforce language in all communications and policies.
- Creating a work environment where diversity is valued and harassment is not tolerated.