Gender pay equity in the Queensland public sector

Office of the Special Commissioner, Equity and Diversity September 2024



1. Introduction

The Office of the Special Commissioner, Equity and Diversity (OSC) works with organisations to improve equity and diversity in Queensland's public sector.

Transparent reporting of data ensures accountability across the sector, enables the OSC to measure progress and informs improvements to policy, procedure and practice.

The OSC has published its fourth annual dashboard <u>link</u>, and this report identifies some of the key trends.

2. Workforce composition

This section outlines the composition of the Queensland public sector workforce.

Women comprise 69.33% of the workforce but are not evenly represented across all agencies.

As shown in Figure 1 women are concentrated in the larger agencies, with representation of 78.55% in Education and 73.75% in Health. Women are under-represented in other agencies with male dominated workforces, such as Queensland Fire and Emergency Services (19.42%) and Queensland Police Service (37.7%).

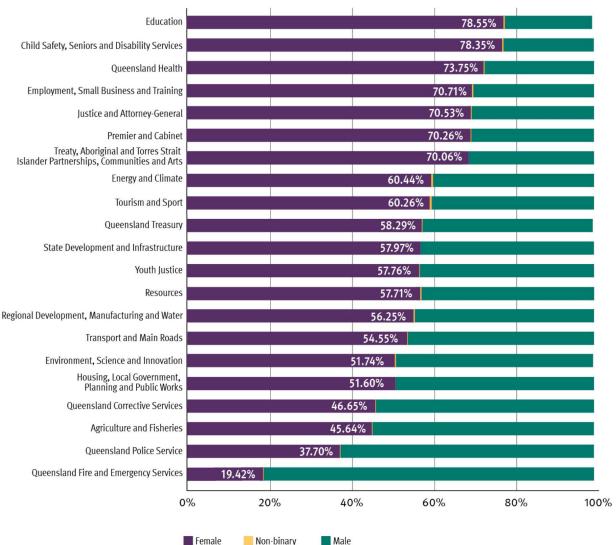


Figure 1. Percentage of women in agencies

Figure 2 identifies gender disparities across classification levels, based on administration officer (AO) scale equivalent classifications.

Women are not evenly represented across classification levels. They remain under-represented (less than their 69.33% representation overall) at AO7 and senior officer (SO) equivalent levels, and significantly under-represented at senior executive service (SES) level.

This under-representation at higher classification contributes to the gender pay gap, as well as a decision-making gap in the voices of women at senior levels.



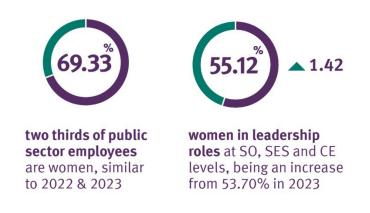
Figure 2. Gender disparity across levels, % of total headcount June 2024

*salary equivalent

Note: the AO1 equivalent classification is small, at only 0.5% of the workforce.

Figure 3 further highlights the proportion of women in leadership roles. There is a combined total of 55.12% of women at leadership levels (combining 61.9% representation at SO representation at or above SES level). This is a continuing increase from 50.87% in 2021, to 50.95% in 2022 and 53.7% in 2023.





The OSC continues to investigate the representation of women at senior levels. A study of SES applicant pools found that women are not applying for senior executive roles in proportionate numbers, comprising around one-third of applicants each year. However, those that do apply have a higher success rate in appointments at around 60% of new executive roles. This trend is consistent with literature that suggests women can be hesitant to apply for senior roles unless they feel they meet or exceed all criteria.

3. The gender pay gap

The gender pay gap does not mean that men and women aren't paid the same for performing the same work or for performing different work of equal or comparable value. Rather, it calculates the difference between the average pay of men and women across the workforce.

The gender pay gap for the Queensland public sector continues to narrow at a rapid rate, due to concerted efforts in Queensland to address the drivers of gender equality.

Figure 4 highlights several trends. First, it demonstrates that the gap in earnings of 5.94% in the Queensland public sector is substantially lower than the national gender pay gap of 11.5%.

Second, it demonstrates a rapid reduction in the gender pay gap on base salary from 7.35% in 2021 to 5.1% in 2024. This base salary calculation removes additional factors such as allowances and focuses on the core value or base salary of the job, which gives a clearer indication of where women are placed in the classification levels and career structures.

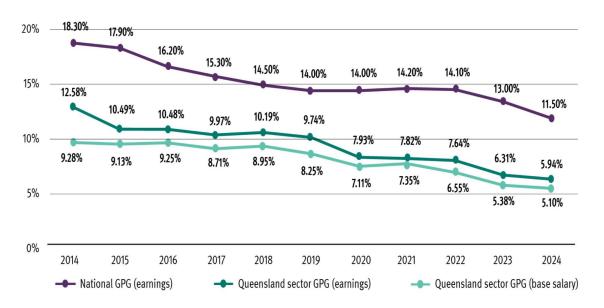


Figure 4. Gender pay gap (as if working full-time)

The 30% drop in 3 years is one of the fastest improvements in recent history and confirms that the Special Commissioner's concerted efforts to educate and support the sector around the gender pay equity is reaping rewards.

Seventeen departments have shared with the Public Sector Commission some of the proactive actions they have taken to improve the gender pay gap in their organisation. They reported:

- SES initiatives to recruit, support, train or network
- active recruitment and consideration of women during hiring process
- review of lower-level jobs and work value, and AO2 conversions, upgrades and re-evaluations
- active promotion and support for flexible work.

4. Beyond the gender pay gap to the diversity pay gap

We extend the concept of the gender pay gap to consider the equity and diversity gap across the sector (using the average salary of men in the sector as the comparison group).

Figure 5 displays the gap at the intersection of gender and diversity across our four target groups – women, Aboriginal and Torres Strait Islander peoples, people with disability, people who speak a language at home other than English (CALD2) and people who were born overseas (CALD1).

The data reveals that:

- women continue to earn less than men in each target group, but there are improvements in closing the gap for every target group
- for women the gender pay gap has reduced from 6.31% in 2023 to 5.94% in 2024.
- for people who identify as having a disability the gap improved from 3.46% to 2.95% for men, and from 7.16% to 7% for women
- CALD 2 men and women and CALD 1 men continue to earn more than the average salary for men, while CALD1 women continue to experience one of the larger gaps albeit improved from 7.75% in 2023 to 6.94% in 2024
- Aboriginal and Torres Strait Islander peoples continue to have the largest gap, albeit with improvement since 2023 from 10.86% to 10.41% for men and 14.6% to 13.65% for women.

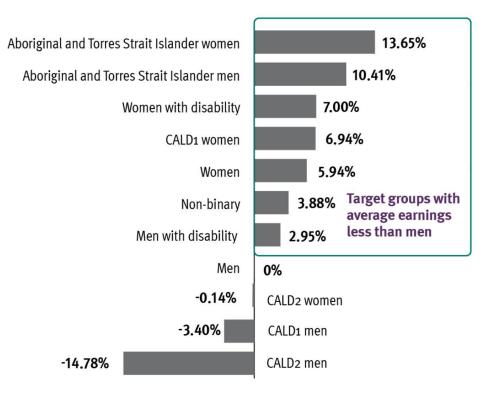


Figure 5. Earnings gap across target groups

5. The gender pay gap across agencies

The gender pay gap varies across agencies, as portrayed in Figure 6.

It is difficult to track trends, due to two machinery-of-government (MOG) changes in 2023, but some observations include:

- agencies not impacted by significant MOG changes continue to see a reduction in their gender pay gap, with the exception of Queensland Health and Queensland Treasury
- Queensland Health has the highest proportion of women employees, but the largest gender pay gap, signalling extensive occupational segregation and underrepresentation of women at higher classification levels
- Department of Transport and Main Roads is a large agency with a balanced gender profile, but substantial occupational segregation that leads to a higher gender pay gap
- the Queensland Police Service (QPS) gender pay gap narrowed from 11.28% in 2023 to 9.35% in 2024. It has one of the lower proportions of women employees (see Figure 1), and one of the larger gender pay gaps, signalling barriers at both recruitment and promotion levels.
- Queensland Fire and Emergency Services (QFES) records a positive gap, but there remain gender equity challenges. QFES had the most male-dominated workforce in the sector, and significant occupational segregation where less than 10% of firefighter roles are held by women. The small number of women employees often work in different and sometimes higher paying roles in corporate services.

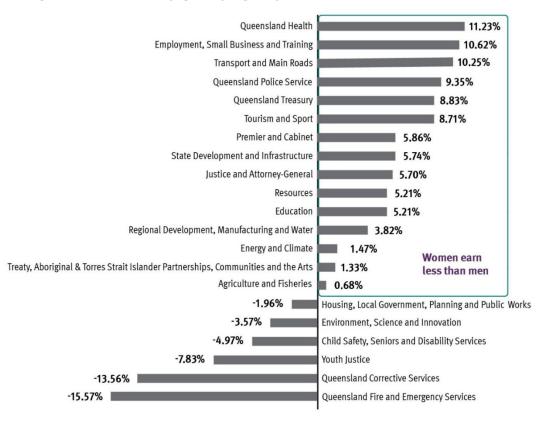


Figure 6. Gender pay gap by agency

6. The gender pay gap by age

The gender pay gap varies across age groups.

Figure 7 shows that, on average, there is no gender pay gap for younger cohorts in the sector up to 35 years of age, and that the average salary for younger women is higher than the average for younger men. However, the gender pay gap remains higher than average (5.94%) for those aged 40 years and above.

The June 2024 profile is similar to 2023, with improvements in some age cohorts from 40-55 years, and for those aged over 65 years, but some widening of the gap for women aged 60-64 years. This suggests that there are factors impeding the earning capacity of women in Queensland's public sector during their mid-30s and onwards, or factors enhancing the earning capacity of men, or both.

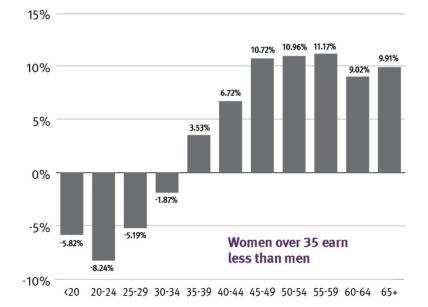


Figure 7. Gender pay gap by age, June 2024

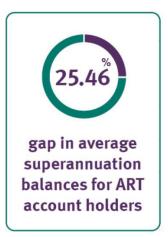
7. The superannuation gap

The gender pay gap has consequences for women across their life. Lower earnings while working leads to lower employer superannuation contributions, which in turn can lead to a superannuation gap and a retirement income gap.

As at June 2024, for employees of the Queensland government who contribute to the Australian Retirement Trust (QSuper), women's average superannuation balances were 25.46% lower than men's average balances. This represents a small improvement from 26.14% as at June 2023.

Average superannuation balances follow the wages trend outlined above with the wages gap of varying across age cohorts. For superannuation

balances, with the wages gap for women under 35 years is 2.3% and for women under 45 years is 12.56%.



8. Progressing gender equity in the public sector

The OSC works to progress gender equity including the following achievements and initiatives:

Equity enhancements to policies and laws:

- New approach to recruitment and selection that combines merit and equity, and supports special measures for under-represented groups.
- A nation-leading framework for preventing and responding to sexual harassment in the sector (including a directive, website resources, contact officer network and forthcoming training).
- Innovative proposals to enhance working conditions including:
 - superannuation on unpaid parental leave
 - a nation-leading policy on reproductive health leave.
- Review of flexible working arrangements, especially for frontline and executive roles.

New accountability and evidence base

- New legislated accountability for chief executives to progress equity and diversity and promote respect and inclusion.
- More workforce data to provide evidence of progress and identify potential inequities.
- Support for agencies to complete their equity and diversity audits, understand where inequities occur, and plan to remedy them.
- Raising awareness of equity, diversity and the gender gap, through ongoing dialogue with agency leadership teams and HR teams.

Reduction in the gender pay gap

- Support the sector to reduce the gender pay gap on base salary by 30%, from 7.35% in 2021 to 5.1% in June 2024.
- Work with agencies to address occupational segregation, particularly uniformed services.
- Support Queensland Health in their gender equity review and strategy development
- Inclusion of equity initiatives in enterprise bargaining.
- Assessing the impact of recent bargaining agreements on gender equity and impact on the gender pay gap
- Contributions to the national agenda, including a federal review of occupational segregation and contribution to the national equality reporting regime.

Women in leadership

- A suite of women in leadership initiatives to address the under-representation of women at senior levels, including enhanced evidence and awareness, understanding of career paths, and establishing the executive women's network.
- Engaging with chief executive recruitment panels, to support equity and diversity.

Respect and inclusion

- Co-sponsor respect and inclusion initiatives with the PSC, to support *Public Sector Act* 2022 obligations
- Initiation of an LGBTIQA+ project, to improve data collection about representation in the sector and to understand their workplace experience.
- Supporting Reframing the Relationship obligations via equity and diversity audit process

Check out our website <u>www.psc.qld.gov.au/osc.aspx</u> to learn more.

9. Glossary

Base salary	Base salary refers to the average salary of employees over a year period and does not include allowances.
Earnings	Earnings are calculated on the salary and regular allowances paid to employees, typically including SES motor vehicle allowances, locality allowances and higher duties. Shift allowances and penalty rates can be regular allowances but not always. Average annual earnings do not include one-off or sporadic payments such as travelling allowances. Information on earnings is collected as at the quarterly snapshot date and is extrapolated over a 12-month period.
Gender pay gap	The methodology for gender pay gap in the Queensland public sector is the difference between the average annual earnings for male and female employees, as a proportion of male average annual earnings. Earnings includes base salary and regular allowances. Earnings reflect employees' full-time earnings (regardless of whether the employee works part-time).
Minimum Obligatory Human Resource Information (MOHRI)	MOHRI is the methodology used for the collection and reporting of data on a quarterly basis. It is used to provide information on the Queensland public sector workforce profile, including (but not limited to) data on age, gender, occupation, employment status, location and leave. <u>forgov.qld.gov.au/minimum-obligatory-human-resource-information-mohri</u>
SO, SES and CE classification levels	SO, SES, and CE are acronyms that are used within the Queensland public sector if referring to senior officers, senior executive service and chief executive level.
CALD	Culturally and linguistically diverse.
CALD1	Born overseas.
CALD 2	Speak a language at home other than English.

10. References

- 1. MOHRI June 2024 workforce data.
- 2. Queensland public sector figures are based on equivalent classifications across administrative (AO), operational (OO), technical (TO) and professional (PO) streams.
- 3. Non-binary identification to date is low and this data is not visible in some graphs.
- 4. Based on a study of executive recruitment and selection reports and appointment information January 2019 June 2024.
- 5. This figure is for around half of the competitive recruitment processes where gender data was centrally available. The finding is consistent with research that women may not apply until they meet or exceed the criteria.
- 6. The gender pay gap varies across age groups, with younger women having higher average earnings than men up to around age 35, but a reversal after age 35. This is consistent with research findings about a parent penalty for women.
- 7. Average annual earnings for men compared with women, and men and women in other target groups, represented as a proportion of male average annual earnings.
- 8. <u>Gender indicators | Australian Bureau of Statistics</u>. The ABS data collection has a slightly different formula, excluding part-time employees, while the Queensland public sector data collection calculates income for part-time employees as if they were working full-time.
- 9. Australian Retirement Trust June 2024 superannuation data.

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