



# Drivers of the 2021 APS Gender Pay Gap

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Research Note 03-23



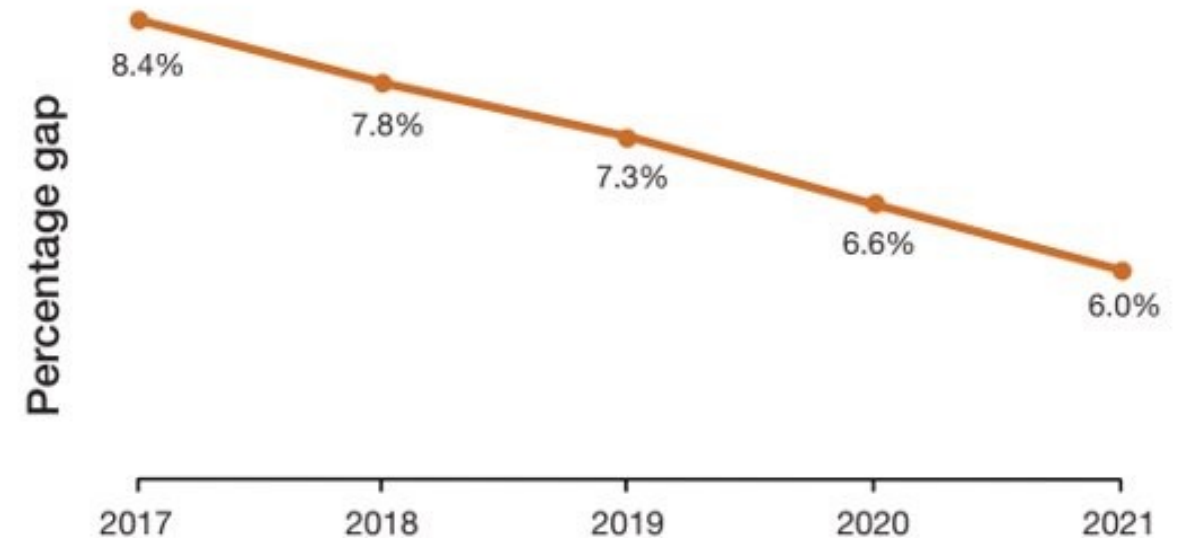
# The gender pay gap is the difference between the average earnings of women and men in the workforce

The gender pay gap is an internationally established measure of women's position in the economy in comparison to men.

The gender pay gap (GPG) as applied to the APS is defined by the Workplace Gender Equality Agency.

The 2022 base salary national gender pay gap was 14.1%. In 2021, the equivalent APS GPG was 6%.

Average gender pay gap trends, 2017 to 2021



Source: 2021 APS Remuneration Report

# The main driver of the 2021 APS gender pay gap is unequal representation of women and men across classifications

If men and women were paid the same average salary at every classification, the APS GPG would be roughly the same at 5.7%.

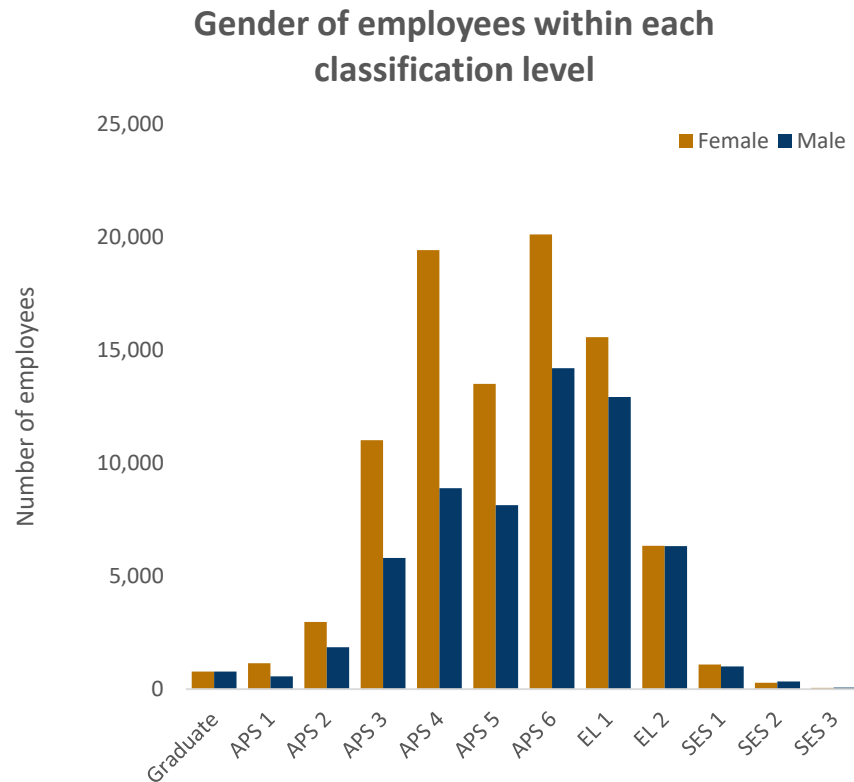
If each classification level had the same number of men and women, the APS GPG would fall to 0.4%, which would be a significant reduction.

Actual 2021 GPG	6.0%
2021 GPG if same average salary at each classification	5.7%
Difference	-0.3%

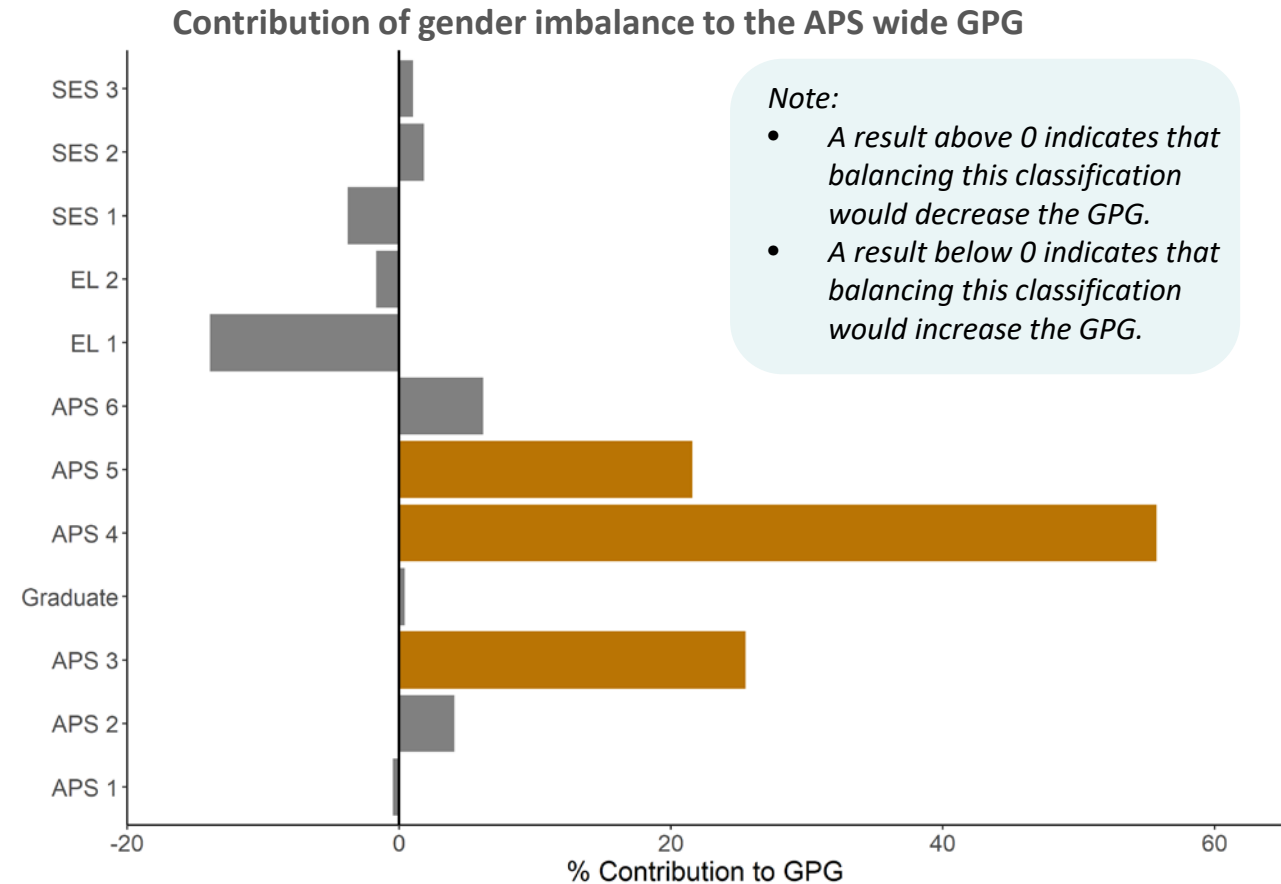
Actual 2021 GPG	6.0%
2021 GPG if same number of men and women at each classification	0.4%
Difference	-5.6%

This means that unequal representation across classifications accounts for 94% of the APS GPG in 2021.

# The APS is majority female particularly at the APS 3 to APS 5 levels, which is driving the APS gender pay gap



Source: APSED



Source: 2021 Remuneration Report, APSED, APSC analysis

# Initial analysis suggests that promotion rates are strong for women, though maternity leave affects this



- Over the past 10 years (2012-2021), women were 1.08 to 1.62 times more likely to be promoted than men in the APS.<sup>1</sup>
- Compared to the Executive Levels, women at APS 3-5 levels have relatively smaller odds, though still greater than men.



- Maternity leave reduces a woman's chances of being promoted in the year it is taken.
- A woman is 54% to 71% less likely to be promoted that year compared to a man, depending on her level.<sup>2</sup>



Further analysis could be undertaken as data collection improves for:

- First Nations status (currently 16.7% missing)
- Disability status (26.1% missing)
- Non-English Speaking Background (26.4% missing).



Applications data from agencies could also show:

- whether men and women were applying for roles at the same rates (which in turn would affect promotions odds)<sup>3</sup>
- whether affirmative measures programs affect promotions odds.

1. This analysis controlled for factors that could impact on the promotion odds of an employee, such as reported First Nations, disability, and Non-English Speaking Background status; age; reported bachelor degree and above qualifications held; experience at level and in the APS; central agency experience; graduate or trainee program participation; whether the employee had taken maternity leave and/or leave without pay; and whether an employee was ongoing, worked full time, or worked in Canberra.

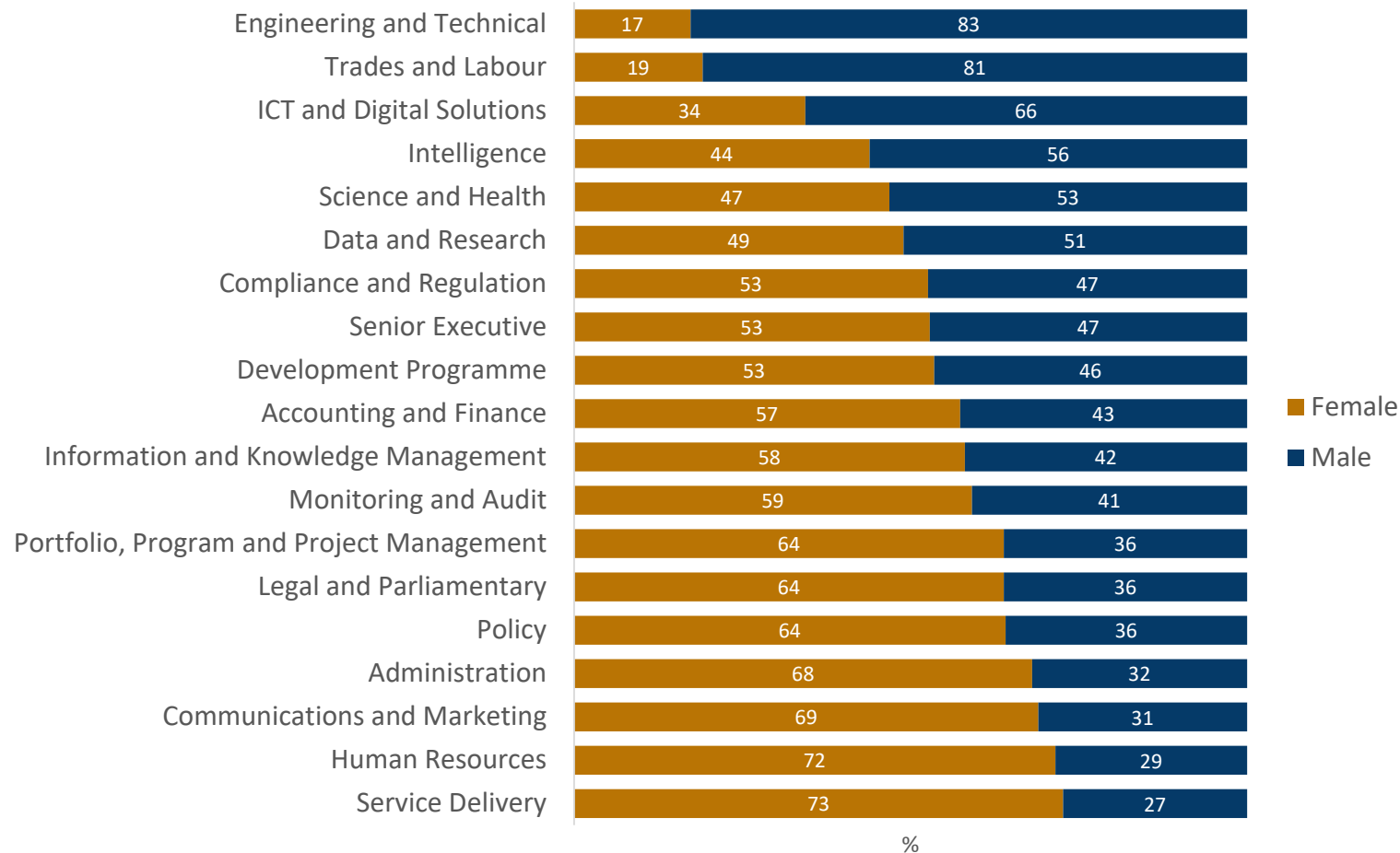
2. This is for non-SES-level women. There was no significant difference detected for SES level women taking maternity leave compared to SES level men.

3. See for example Bosquet, Combes, and García-Peñalosa (2019) "Gender and Promotions: Evidence from Academic Economists in France." 121(3) *Scandinavian Journal of Economics* 1020-1053.



# The type of work undertaken by women and men may also contribute to the gender pay gap

Proportion of gender within each APS job family, 2021



- Different job families can have different pay levels, based on the mix of classifications in that job family.
- This could contribute to the GPG, as job families have a divergent mix of genders within them (see chart).

# Next steps



Future analysis could investigate the impact of the type of work undertaken by women and men on the APS gender pay gap.



Future analysis could consider if there are interactions between the types of jobs that women work in and where they live (from a regional or outside of Canberra perspective), which may be causing the over-representation of women in certain APS job families.

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