

The Gender Income Distribution of Top Earners in ASX200 Companies

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The Study

- Part of EOWA Census research conducted by LMSF
- Uses data collected for 2006 Census
- Reports on 180 Companies that declared top earners in annual reports (Corporations Act, 2001)
- Includes all remuneration components (valued by individual companies)
- Reports median figures because of the wide variation of earnings in different categories
- As part of a census it reports on a complete population and does not use sampling methods

Senior Women Executives

- > The 2006 EOWA Census of Women in Leadership shows women hold 12.0% of Executive Manager positions in the ASX200 Companies – only a marginal increase from previous Census results (Table 1).
- > Figure 1 shows the profile of women Executive Managers by Function.
- > No position group is dominated by women.
- > Fewer than 10% of executives in CEO, CFO, Production, Strategy, Finance and other Line Positions are female.
- > More than 25% of executives in Human Resources, Legal Counsel and Corporate Communications positions are female.

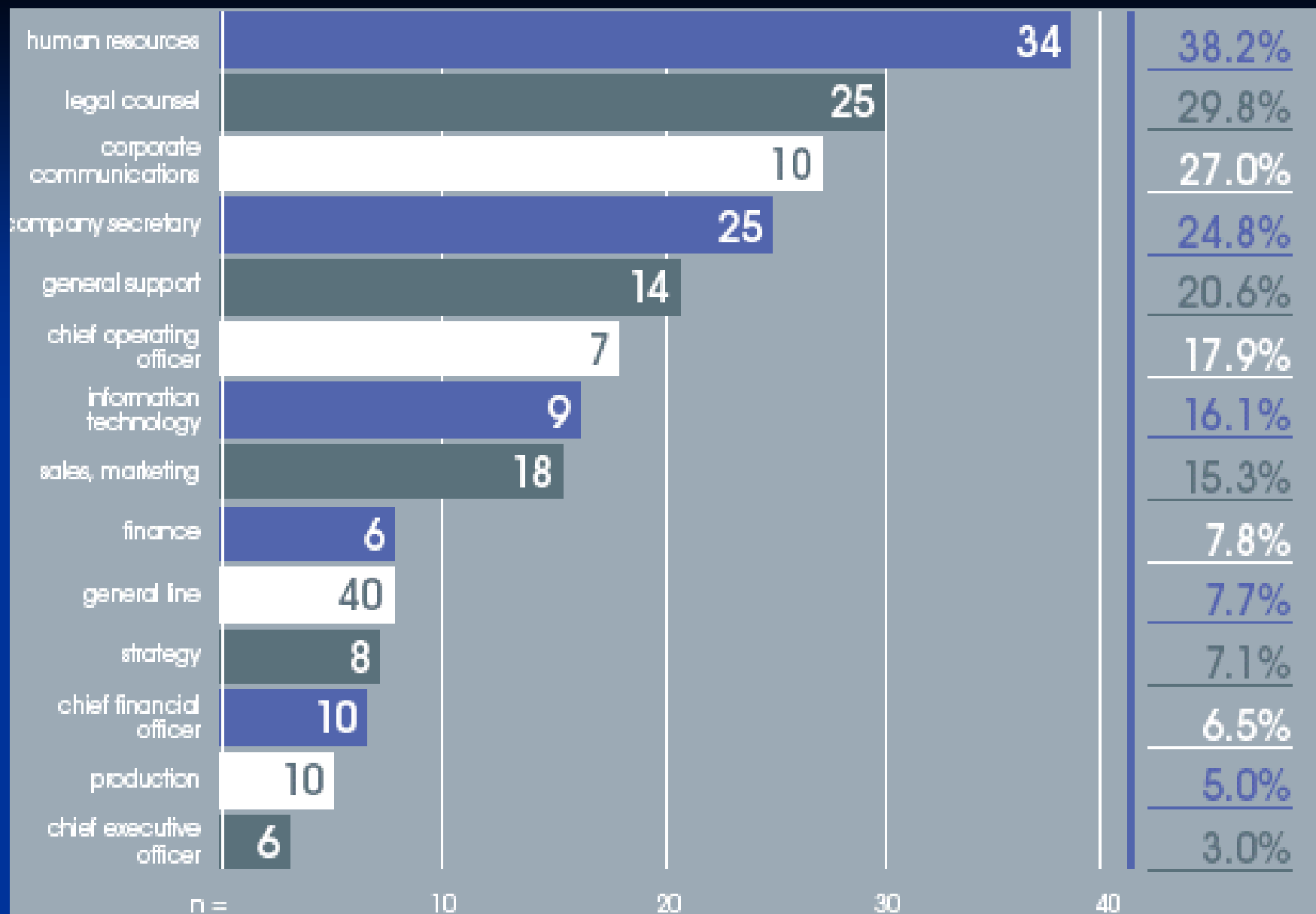


Figure 1. A Profile of Women Executive Managers by Function¹

Women Top Earners

- > Overall females make up 11.1% of executives in companies which declare Top Earners (190 positions out of 1718).
- > Figure 2 shows women hold 7.0% of the Top Earner positions in the ASX200 (80 positions out of 1136).

- > Of women executive managers, 58% are not Top Earners, compared to 31% of male executives. (Table 2)
- > 60% of female Top Earners work in the bottom 100 companies by market capitalisation.

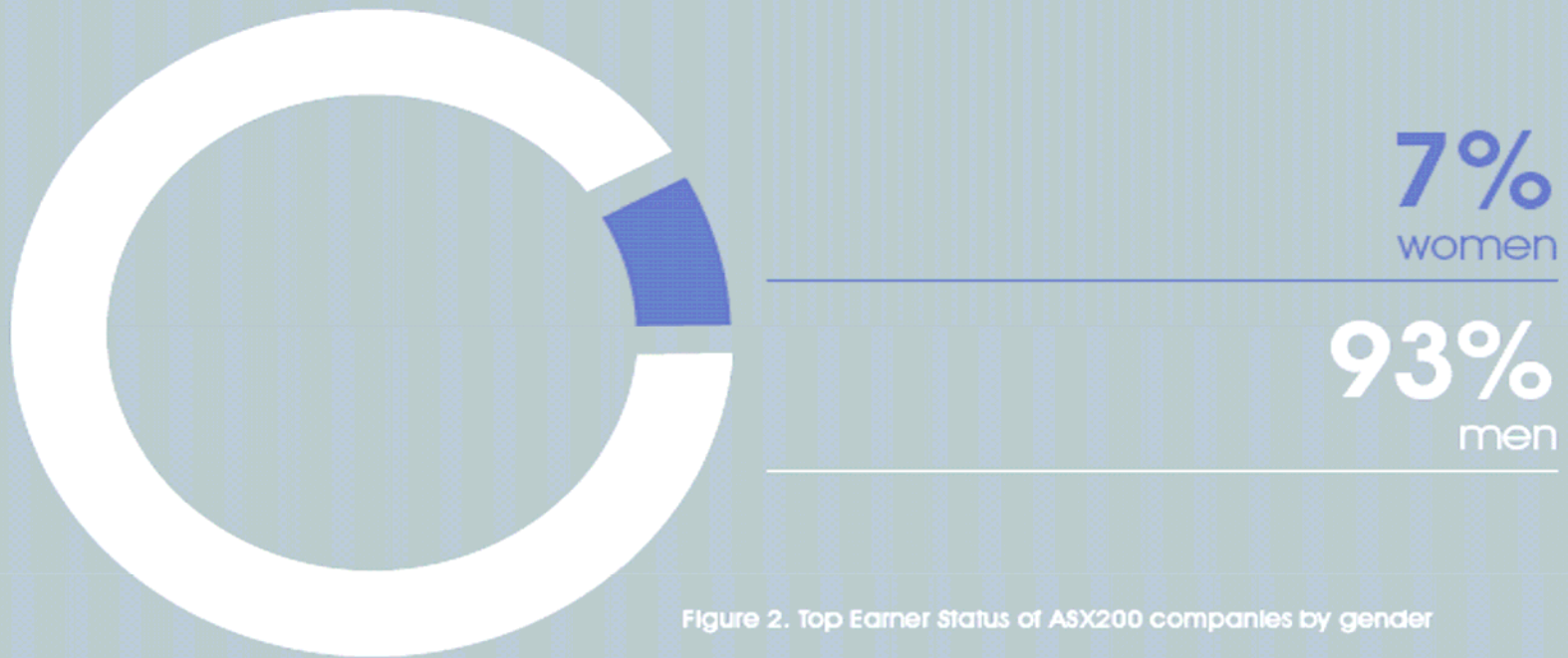


Figure 2. Top Earner Status of ASX200 companies by gender

Male and Female Top Earners

- Irrespective of gender, positions where women are more common (Company Secretary, HR, Corporate Communications and General Support) have 40% or less chance of being TE
- Men are much more likely to be TE than women irrespective of position

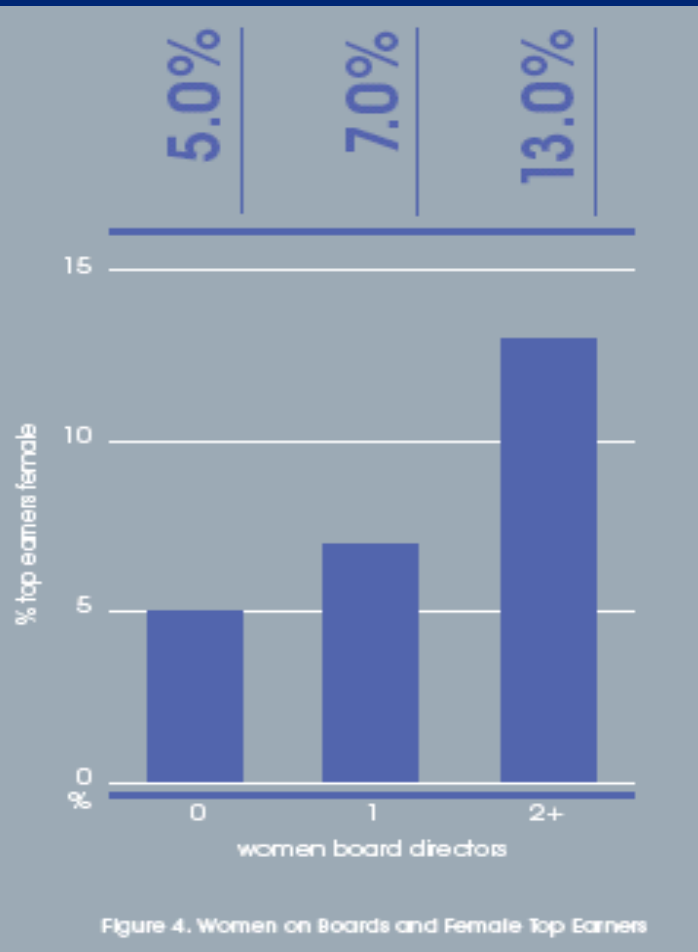
Table 4. Line and Support Roles by Gender

	female top	ratio top/ not top	not top	male top	ratio top/ not top	not top
Line	44	1.33	33	666	2.38	280
Support	32	0.42	76	224	1.22	183

Table 2. Percentage of Top Earner Status by Gender

	female		male	
	top	not top	top	not top
CEO	80%	20%	95%	5%
COO	100%	0%	73%	27%
Company Secretary	21%	79%	39%	61%
CFO	80%	20%	79%	21%
Legal	52%	48%	65%	35%
Sales	76%	24%	61%	39%
Production	40%	60%	63%	37%
Strategy	25%	75%	67%	33%
Human Resources	21%	79%	50%	50%
Info Technology	25%	75%	55%	45%
Communications	22%	78%	38%	62%
Finance	0%	100%	67%	33%
General Line	53%	47%	74%	26%
General Support	22%	78%	43%	57%
Grand Total	42%	58%	69%	31%

Women TE and Women on Boards

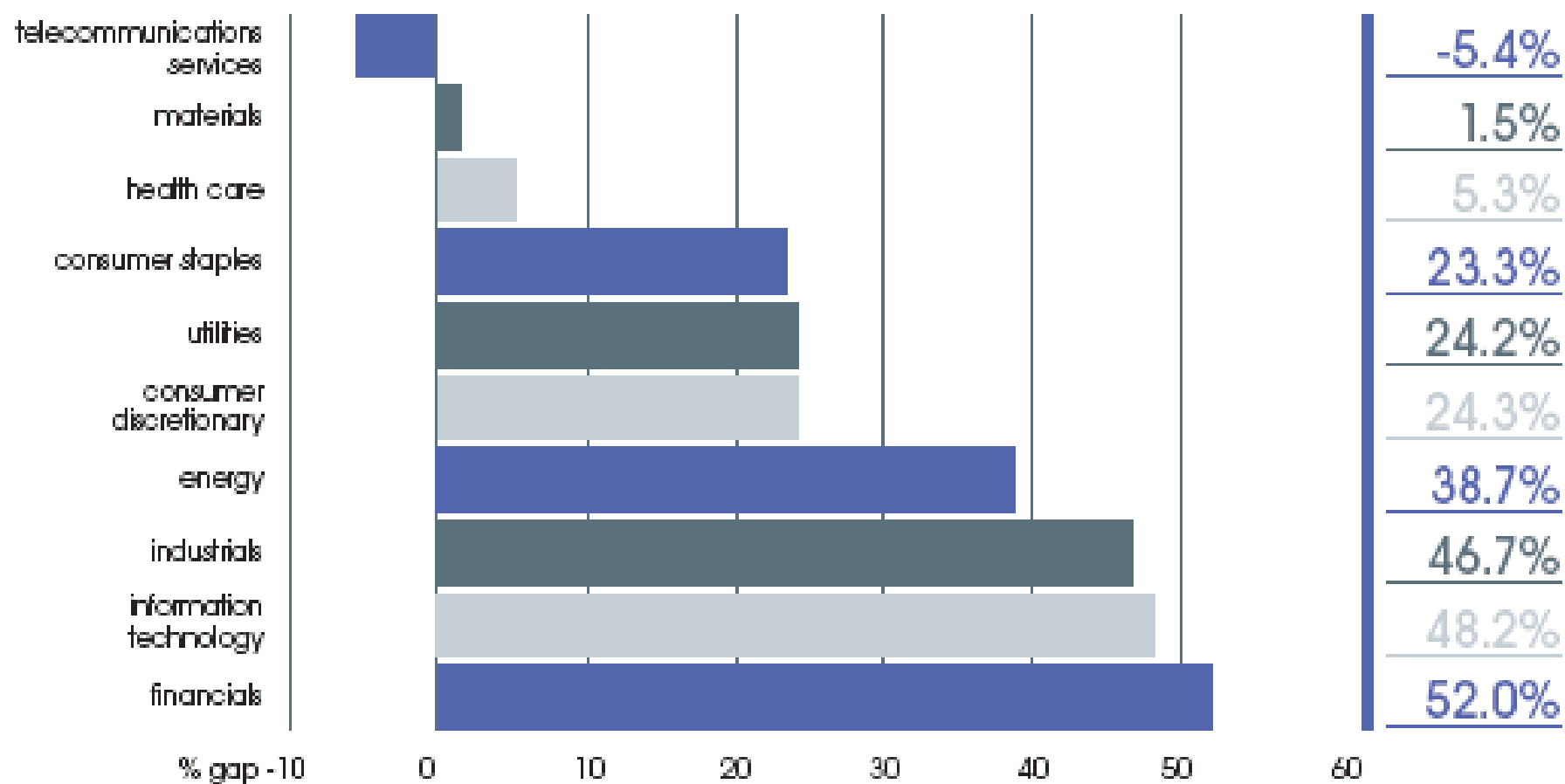


- There is a clear, positive relationship between female representation on boards and the number of women top earners
- In companies with 2+ women on boards, females represent 13% of top earners (ie nearly double the average of 7% in ASX200)

The Gender Pay Gap By Industry

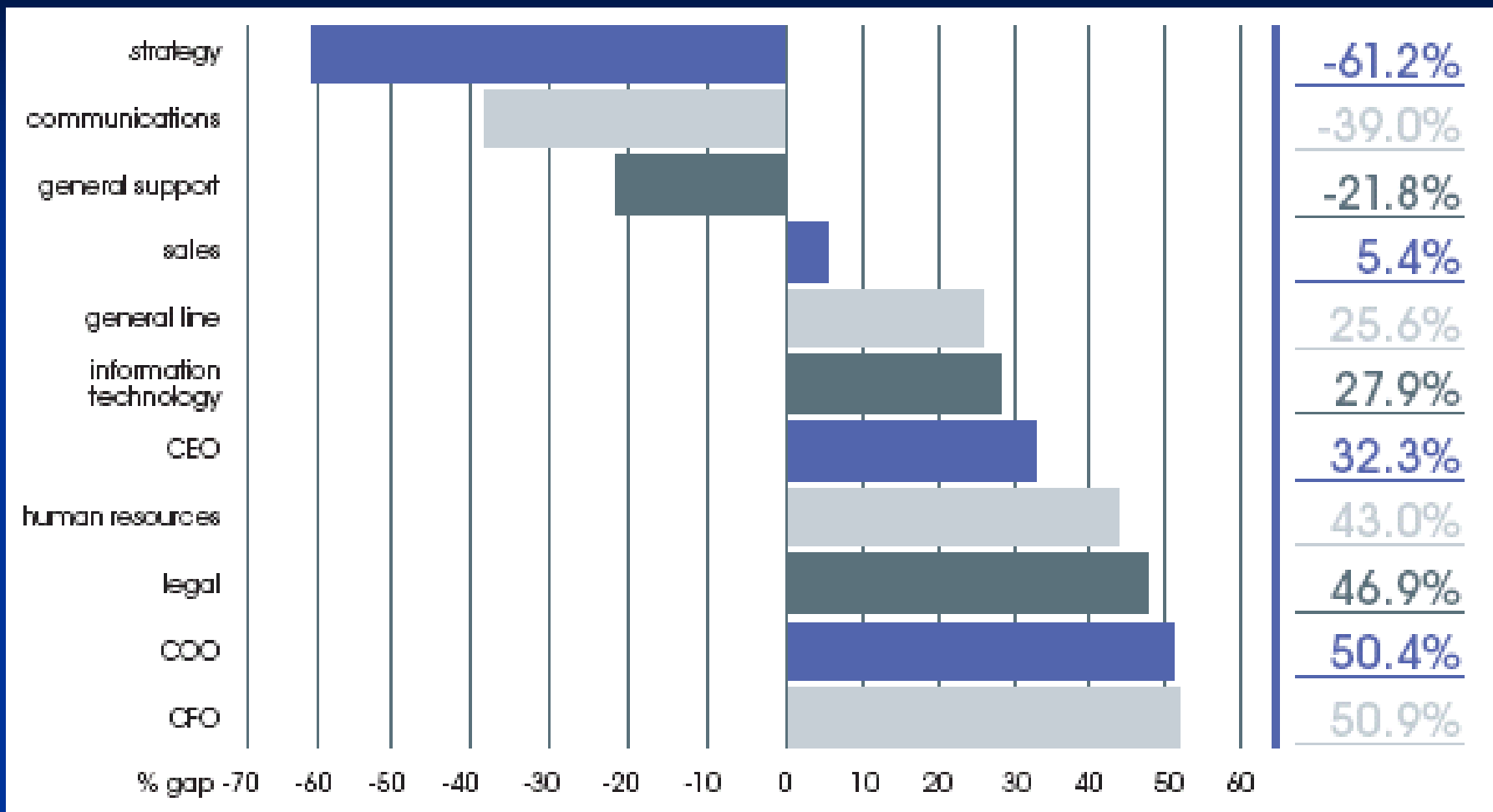
- Telecoms is the only sector where women earn more than men (n=2 in the pop)
- In 9 out of 10 sectors, the female median salary is lower than the male median
- The overall median salary for women is 58% of the comparable figure for men
- The largest pay gap is in the finance sector with a pay gap of 52% (or \$543,635)

Figure 5. The Gender Pay Gap by Industry



Median Pay By Position

- In 11 out of 14 position classifications the female median is lower than the comparable male salary
- CFO and COO each have a median pay gap of 50%
- 8 out of 14 position classifications have a median pay gap of 25% or more



Median Remuneration by Line and Support

Table 8. Median Remuneration by Line & Support

median remuneration \$A	female \$	% of male \$	count	male \$	count
CEO	945,252	67.7%	4	1,395,540	166
Line	455,234	71.9%	44	632,782	666
Support	331,070	61.3%	32	539,801	224

Why?

- Possible Explanations:
 - More women work in less well paid positions
 - Women's skills undervalued
 - Discrimination
 - Not enough women board members
 - Lower starting salaries/expectations
 - Different negotiation style to men

Conclusions

- Women at the highest levels of corporate Australia are underpaid relative to their male counterparts
- Female executive remuneration of 58% of male median is lower than overall female AWE of 84% of male earnings
- Female executives are more likely to be top earners in companies where there are women board members
- Women are under-represented at senior executive and board level in corporate Australia