



MEDIA RELEASE

24 February 2022

Australia's new national GPG of 13.8% released; employers urged to take action as IWD approaches

Twelve days out from International Women's Day, the Workplace Gender Equality Agency (WGEA) has today announced Australia's new national gender pay gap of 13.8%, a drop of **0.4 percentage points** over the past 6 months from 14.2%.

Based on the latest half-yearly Australian Bureau of Statistics (ABS) Average Weekly Earnings data released today, WGEA has calculated that Australia's latest national gender pay gap equates to a difference, on average, of \$255 per week between the full-time earnings of women and men.

This latest ABS data is from mid-November, which was after the labour market had recovered from most of the Delta period impacts and before the emergence of the Omicron variant.

Across the country, the gap between the average weekly earnings of women and men is **widest in Western Australia**, with a difference of \$434 per week; while **South Australia has the smallest pay gap** of \$121 per week.

Mary Wooldridge, Director of the Workplace Gender Equality Agency, said while she welcomed the news that the pay gap has narrowed, in every industry and every state and territory, the pay gap in favour of men continues.

"Any time we see the pay gap decline, it is a welcome sign that the labour market is moving in the right direction. At 13.8%, this is the second lowest national pay gap in the last 20 years, with November 2020 being the lowest at 13.4%.

"Throughout the pandemic, we know women stepped back from the workforce as they took on more of the caring load. At the point in time of this new national pay gap data, it was a period of relative stability and economic recovery which saw increased labour force participation by both women and men."

The new national gender pay gap figure follows the recent release of the <u>WGEA scorecard on the state of gender equality in Australia</u>, based on the results of the Agency's latest census of private sector businesses with 100 or more staff.

The WGEA Director says in the lead up to International Women's Day on March 8, together these latest figures provide an important benchmark at a time when many workplaces will turn the spotlight on their female employees.

"Australian employers must do more than pay lip service to gender equality on one day of the year. This is something that needs dedicated focus, sustained commitment, and, most importantly, action to continue improving the policies that we know make a difference," Ms Wooldridge said.

"From our latest WGEA Scorecard insights, 42% of organisations were able to make some reductions on their pay gaps in the last 12 months, but 37% of organisations actually saw their pay gaps widen over the same period.

"As International Women's Day approaches, companies need to seriously consider: are they creating workplaces that can harness the talents of half of the population?"







Ms Wooldridge said despite some entrenched views that the gender pay gap is a result of 'women's choices', women do not simply choose to earn less than men.

"The decisions women make around work are not made in a vacuum – they are shaped by societal and cultural factors that begin long before they step foot in a workplace and continue throughout their lifetime."

"Research conducted by WGEA, KPMG and the Diversity Council in the *She's Price(d)less* report found drivers of the pay gap include a combination of factors such as Australia's highly gender-segregated industries and occupations, and the fact feminised industries, such as health care and education, tend to be paid less; the disproportionate share of unpaid care by women; and unconscious bias and discrimination in recruitment, promotion, and negotiation processes."

Ms Wooldridge said while there are a range of factors that contribute to the gender pay gap, employers can take steps to address the causes through dedicated actions focusing on how women are recruited, promoted, and paid, relative to men.

"Businesses need to look inwards and consider how they recruit, select, and promote all workers in the employee life cycle – and watch out for unconscious bias at every stage.

"One of the biggest misconceptions is that women are less likely to negotiate or ask for pay rises. Research has proven this isn't true: women are asking, but they are less likely to receive pay rises than men.

"Practical actions like using free online tools to check job advertisements for gender-neutral language, having gender-balanced interviewing panels, or even clearly advertising roles as being able to be performed flexibly, can all be first steps employers can take to move beyond words and into action to address stereotypes and biases in their workplace."

Addressing the pay gap

Regular pay audits, combined with accountable actions such as reporting the results to boards, the executive, and even publicly, can be a vital first step to addressing the pay gap within organisations.

Consistency is the key – research by the BCEC and WGEA in the *Gender Equity Insights Report* showed that organisations with a start-stop approach to pay audits saw their managerial pay gaps actually increase.

What employers can do:

- ✓ <u>Use WGEA's pay gap calculator to conduct a pay audit.</u>
- ✓ WGEA has a toolkit for employers on how to check recruitment and promotion practices, <u>available to</u> download on the WGEA website.
- There is also a 2-page factsheet for organisations available with evidence-based actions.

What employees can do:

- ✓ See if your employer has conducted a pay gap audit: Visit the <u>WGEA data explorer: to see if a company has done a gender pay gap analysis and taken action as a result;</u>
- ✓ Find out if your workplace has a strategy on addressing unconscious bias in recruitment and promotion by searching your company's name in WGEA's new interactive data visualiser, at data.wgea.gov.au.
- Start a conversation at work in the lead up to IWD about how and why this is important for your workplace.

ENDS

Media contact: Shelby Houghton, WGEA Media and Communications Manager 0487 325 857

About the Agency: The Workplace Gender Equality Agency is an Australian Government statutory agency charged with promoting and improving gender equality in Australian workplaces. www.wgea.gov.au.

Gender Pay Gap – by State and Territory

*Based on the ABS Average Weekly Earnings seasonally adjusted November 2021 data, released 24 February 2022

	Gender Pay Gap	Difference between male and female average weekly full- time earnings
Western Australia	21.2%	\$434
Queensland	15.6%	\$277
Victoria	14.3%	\$266
Northern Territory	12.2%	\$219
New South Wales	12.0%	\$221
Tasmania	9.1%	\$146
Australian Capital Territory	7.9%	\$163
South Australia	7.4%	\$121
All	13.8	\$255

Media Notes

Latest Gender Pay Gap data – as of February 2022:

- National gender pay gap (ABS data) 13.8% = the average pay gap between women and men for full-time public and private sector workers.
- Pay gaps across the country Western Australia has the largest pay gap, while South Australia
 has the lowest.

The national gender pay gap:

The national GPG is an internationally established measure of the position of full-time, employed women in the economy in comparison to full-time, employed men.

Calculated using the ABS Average Weekly Earnings data, it is a population-level average that enables comparisons to be made and provides us with a reliable trend to track Australia's progress towards a more gender equitable workforce.

The private sector WGEA gender pay gap.

There is also a second pay gap figure used to represent how work is valued across genders in Australian workplaces.

This is the **WGEA private sector gender pay gap - currently 22.8% -** as recently released in the WGEA <u>2020-21</u> <u>Scorecard on Gender Equality</u> on February 11.

The WGEA GPG is calculated using the data of private sector employers with 100 or more staff collected during our annual employer census. It includes the total remuneration – including superannuation, bonuses, and other additional payments – of full time, part-time and casual workers.

With over 60% of women employed in part-time or casual roles, the WGEA total gender pay gap figures are used to give a more holistic insight into the economic power of women relative to men.

Together, the national gender pay gap and the WGEA gender pay gap are used as indicators of women's overall position in the workforce to compare trends over time.

The Gender Pay Gap v Unequal Pay

Importantly, the GPG should not be confused with unequal pay - which is when two people doing work of the same or comparable value are paid a different amount. In Australia, this has been a legal requirement since 1969.

When we talk about the gender pay gap, we are talking about the difference between what men and women get paid, on average, across organisations, industries, and the workforce as a whole.