

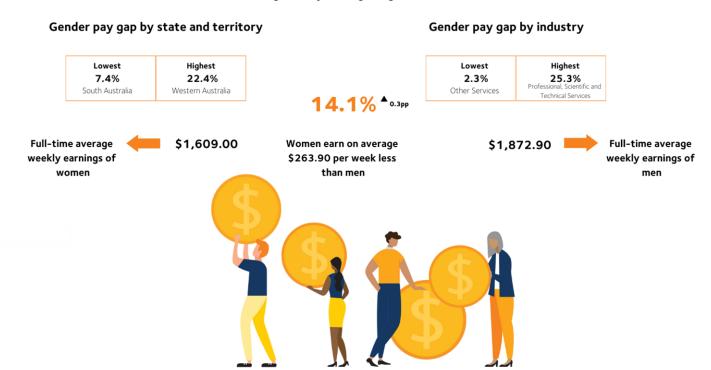


Australia's Gender Pay Gap Statistics

August 2022

Australia's full-time gender pay gap

Average weekly earnings, August 2022



About the Gender Pay Gap

The gender pay gap (GPG) is the difference between women's and men's average weekly full-time equivalent earnings, expressed as a percentage of men's earnings. It is a measure of women's overall position in the paid workforce and does not compare like roles.

The gender pay gap is influenced by several factors, including:

- · discrimination and bias in hiring and pay decisions
- women and men working in different industries and different jobs, with female-dominated industries and jobs attracting lower wages
- · women's disproportionate share of unpaid caring and domestic work
- · lack of workplace flexibility to accommodate caring and other responsibilities, especially in senior roles
- · women's greater time out of the workforce impacting career progression and opportunities.

Gender pay gaps are an internationally established measure of women's position in the economy. Directly comparing international gender pay gaps is problematic due to differences in sources, definitions and methods used to calculate the gender pay gap in different countries.

However, it is clear that gender pay gaps in favour of men are a common feature of economies worldwide.

Calculating the gender pay gap

Australian gender pay gaps are calculated by the Workplace Gender Equality Agency (WGEA, the Agency). The GPG is derived as the difference between women's and men's average weekly full-time equivalent earnings, expressed as a percentage of men's earnings.

The data used by WGEA for calculating the national gender pay gap is the Australian Bureau of Statistics (ABS) Full-Time Adult Average Weekly Ordinary Time Earnings Trend series from the Australian Weekly Earnings (AWE) survey.¹ The survey estimates the full-time adult average weekly ordinary time earnings (trend/seasonal) before tax, excluding overtime, pay that is salary sacrificed, junior and part-time employees.

Data is also sourced from the ABS Employee Earnings and Hours employer survey² (age group and method of setting pay) and from the Agency's own gender pay gap data (occupation and overall).³ Gender pay gap calculations derived from each of these data sources vary due to differences in timing and scope.

ABS and WGEA data both show a gender pay gap favouring full-time working men over full-time working women in every industry and occupational group category in Australia.

The national gender pay gap

Currently, Australia's national gender pay gap is 14.1%.

The national gender pay gap is calculated by WGEA using data from the ABS.

As of May 2022, women's average weekly ordinary full-time earnings across all industries and occupations was \$1,609.00 compared to men's average weekly ordinary full-time earnings of \$1,872.90. This means that on average, women earned \$263.90 less than men. Over this six-month period, average weekly ordinary time earnings for women working full-time rose by 0.3 per cent (from \$1591.20), while average weekly ordinary time earnings for men working full-time increase to 0.1 per cent from \$1846.50.

The full-time total earnings gender pay gap, which includes overtime payments is **16.5%**. This means women's average weekly total full-time earnings are **\$323.20** less per week compared to men.

Adding the part-time workforce, the total earnings gender pay gap for all employees widens to **29.7%**. Women are more likely to work part-time which contributes to the larger pay gap for all employees. This means women's average weekly total earnings are **\$471.30** less per week than men.⁴

GPG = 100% * Male Average Earnings - Female Average Earnings

Male Average Earnings

Changes to the data since 2020

Traditionally, the data used by WGEA for calculating the national gender pay gap is the ABS Full-Time Adult Average Weekly Ordinary Time Earnings Trend series from the Australian Weekly Earnings survey.⁵

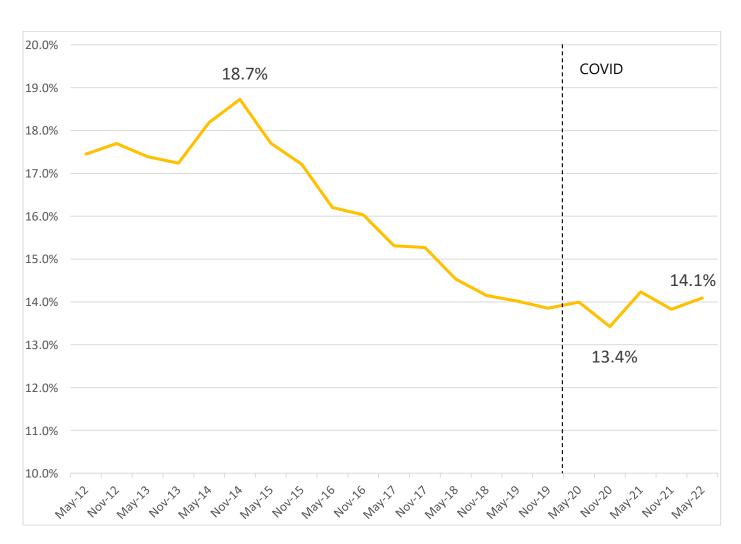
However, given the impact of COVID-19 on the labour market and that it is currently not known whether this impact will be short, medium or long-term, the ABS have suspended the use of trend data.⁶

Instead, seasonally adjusted data has been used to calculate average weekly earnings. Given the extent of change in the labour market and the impact of COVID-19 is ongoing, it will be important to continue monitoring the data to further understand the impact of COVID-19 on Australia's workforce.

The national gender pay gap over time

Australia's national gender pay gap has hovered between 13% and 19% for the past two decades. There has been a increase of 0.3 percentage points (pp) to 14.1% in the gender pay gap since November 2021 (13.8%).

Figure 1: The Australian gender pay gap over time, May 2012 - May 2022 (seasonally adjusted)



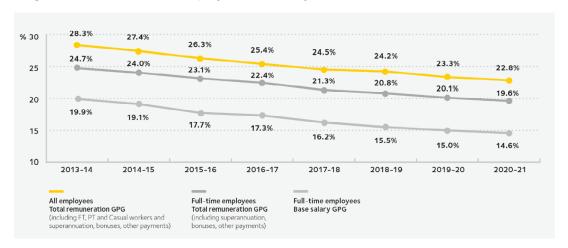
Data source: ABS (2022), Average Weekly Earnings, May 2022, cat. no. 6302.0, viewed 18 August 2022, https://www.abs.gov.au/statistics/labour/ earnings-and-work-hours/average-weekly-earnings-australia/latest-release#data-download



WGEA collects pay data annually from non-public sector organisations with 100 or more employees, covering more than 4 million employees in Australia. This data includes superannuation, bonuses and other additional payments.

The total remuneration gender pay gap based on WGEA data is 22.8%, meaning men earn nearly \$25,792 a year more than women.

Figure 2: All and full-time employee base salary and total remuneration, 2013-14 - 2020-21



Source: WGEA (2022), Australia's gender equality scorecard: https://www.wgea.gov.au/publications/australias-gender-equality-scorecard

Note: Total remuneration includes base salary plus any additional benefits payable directly or indirectly, whether in cash or in a form other than cash. Includes: bonus payments (including performance pay), superannuation, discretionary pay, overtime, other allowances and other benefits (for example share allocations).

The gender pay gap by state and territory

The full-time average weekly base salary gender pay gap differs across Australian states and territories. The differences in the gender pay gap can be partly explained by industry profiles of each state and territory. For example, the full-time workforce in Western Australia has larger Mining and Construction sectors than other states, which are industries with relatively high earnings and low representation of women. In contrast, South Australia and the Australian Capital Territory have large public sectors, which traditionally has a lower gender pay gap and more balanced gender representation. As of May 2022:

- Western Australia has the widest gender pay gap at 22.4%.
- South Australia has the smallest gender pay gap at 7.4%.

Between May 2021 and May 2022, the gender pay gap has increased in Australian Capital Territory (by 3.4 pp.) and Victoria (by 2.1 pp.). New South Wales had a decreased of gender pay gap by -2.1 pp., followed by Tasmania (-0.8 pp.) and Northern Territory (-0.7 pp.).

Table 1: Full-Time Adult Weekly Ordinary Time Earnings gender pay gap by state and territory, May 2021 – May 2022

State	May-21	May-22	GPG (pp. difference)
Western Australia	21.9%	22.4%	0.6%
Queensland	15.6%	15.6%	0.0%
Victoria	12.1%	14.2%	2.1%
New South Wales	14.5%	12.4%	-2.1%
Northern Territory	12.7%	12.0%	-0.7%
Australian Capital Territory	7.9%	11.3%	3.4%
Tasmania	8.4%	7.5%	-0.8%
South Australia	7.1%	7.4%	0.4%

Data source: ABS (2022), Average Weekly Earnings, May 2022, cat. no. 6302.0, viewed 18 August 2022,

https://www.abs.gov.au/statistics/labour/ earnings-and-work-hours/average-weekly-earnings-australia/latest-release#data-download

The gender pay gap by industry

The differences between women's and men's average weekly full-time earnings across all industries, including the private and public sectors, shows that across Australia the gender pay gap is:

- highest in Professional, Scientific and Technical Services at 25.3%, followed by Health Care and Social Assistance at 22.2% and Financial and Insurance Services at 19.0%.
- •lowest in Other Services at 2.3% and Electricity, Gas, Water and Waste Service at 6.6%.

Between May 2021 and May 2022:

- •the gender pay gap increased in Construction (+2.1% pp.), followed by Retail Trade (+1.6 pp.) and Health Care and Social Assistance (+1.5 pp.)
- •the gender pay gap decreased in Financial and Insurance Services (-5.1 pp.), Arts and Recreation Services (-3.6 pp.) and Transport, Postal and Warehousing (-2.7 pp.).

Table 2: Full-Time Adult Weekly Ordinary Time Earnings gender pay gap by industry, May 2021 – May 2022

Industry	GPG – May 2021	GPG – May 2022	GPG (p.p difference)	GPG (\$ difference)
Professional, Scientific and Technical Services	25.3%	25.3%	0.0%	\$14.70
Health Care and Social Assistance	20.7%	22.2%	1.5%	\$46.00
Financial and Insurance Services	24.1%	19.0%	-5.1%	-\$112.00
Construction	16.6%	18.8%	2.1%	\$49.30
Rental, Hiring and Real Estate Services	19.1%	17.4%	-1.7%	-\$29.20
Mining	17.2%	16.0%	-1. <u>2</u> %	-\$28.10
Wholesale Trade	15.0%	15.8%	0.9%	\$16.20
Information Media and Telecommunications	16.6%	14.8%	-1.8%	-\$22.90
Administrative and Support Services	14.8%	13.6%	-1.2%	-\$16.80
Transport, Postal and Warehousing	15.2%	12.5%	-2.7%	-\$44.20
Retail Trade	10.8%	12.4%	1.6%	\$25.10
Manufacturing	13.3%	12.1%	-1.2%	-\$20.80
Education and Training	11.4%	10.9%	-0.5%	-\$8.50
Accommodation and Food Services	10.5%	9.8%	-0.7%	-\$6.50
Public Administration and Safety	7.3%	8.7%	1.4%	\$34.90
Arts and Recreation Services	10.8%	7.2%	-3.6%	-\$58.10
Electricity, Gas, Water and Waste Services	7.6%	6.6%	-1.1%	-\$13.80
Other Services	0.9%	2.3%	1.4%	\$19.00

Data source: ABS (2022), Average Weekly Earnings, May 2022, cat. no. 6302.0, viewed 18 August 2022, https://www.abs.gov.au/statistics/labour/ earnings-and-work-hours/average-weekly-earnings-australia/latest-release#data-download

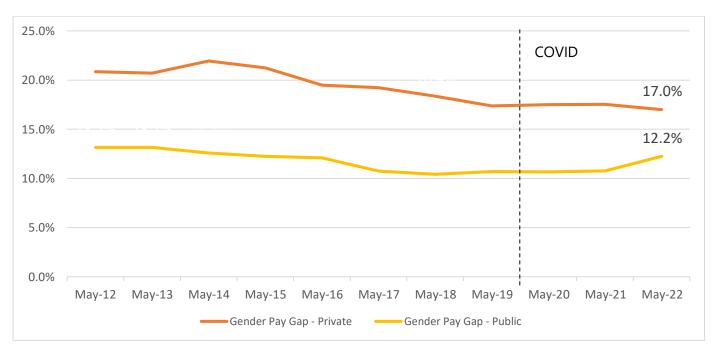
Note: Based on Full-Time Adult Average Weekly Ordinary Time Earnings with May as the reference period. Industries are ranked from highest gender pay gap to lowest gender pay gap in May 2022. A minus sign indicates that the gender pay gap has decreased from the previous period.

Gender pay gaps in the public and private sectors

In May 2022, the gender pay gap was 17.0% in the private sector and 12.2% in the public sector. Figure 3 shows that since 2001the gender pay gap in the public sector has been lower than in the private sector.

During that time, the gender pay gap has hovered between 16.6% and 22.1% in the private sector and between 10.5% and 13.5% in the public sector.

Figure 3: Full-time gender pay gaps over time in the private and public sectors, May 2012 to May 2022 (seasonally adjusted)



Data source: ABS (2022), Average Weekly Earnings, May 2022, cat. no. 6302.0, viewed 18 August 2022, https://www.abs.gov.au/statistics/labour/ earnings-and-work-hours/average-weekly-earnings-australia/latest-release#data-download

Note: Based on full-time adult average weekly ordinary time earnings. Seasonally adjusted public and private sector average weekly earnings data is only available from May 2012.

Method of setting pay and the gender pay gap

The method of setting pay describes how salaries are established, usually by award, collective or individual agreement. Table 3 shows that the gender pay gap was higher when pay was set by individual arrangement, compared to when pay was set by award or collective agreement.

The data shows that, on average, men have higher weekly total cash earnings, the exception is when pay is set by award where women have higher weekly total cash earnings.

Table 4: Average weekly total cash earnings (full-time) by gender and gender pay gap by method of setting pay (2021)

Method of Setting Pay	Women	Men	Gender Pay Gap (%)
Award	\$1324.80	\$1276.40	-3.8%
Collective Agreement	\$1785.50	\$2048.40	12.8%
Individual Arrangement	\$1724.60	\$2056.10	16.1%
Overall	\$1675.90	\$1934.0	13.3%

Data source: ABS (2022), Employee Earnings and Hours, Australia , Data cube 1, table 2, May 2021 , viewed 15 February 2022, https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/employee-earnings-and-hours-australia/latest-release

The gender pay gap by age group

The average gender pay gap between women and men working full-time increases with age up to the mid-40s before decreasing slightly to 13.1% in favour of men.

The average gender pay gap is smallest for employees aged 20 years and under and sharply increases for those aged between 21 and 34 years. The gender pay gap is at its widest for those aged 35 to 44 years and 45 to 54 years.

The average gender pay gap increases to its highest point at 17.8% for the 45 to 54 years age group but first begins to widen significantly for women in the 35 to 44 years age group, the decade that they are most likely to have spent time out of the workforce to care for children. The impact of this continues into the next decade. As a result of the extra time women spend in unpaid care work, they have fewer promotion opportunities and are less likely than men to hold highly compensated jobs.

\$2,500 17.8% \$2,000 15.6% 13.1% \$1,500 \$1,000 \$500 \$0 20 years and under 21-34 years 35 -44 years 45-54 years 55 years and over Men Women ——— Gender pay gap

Figure 4: Average weekly full-time earnings and gender pay gap by age, May 2021

Data source: ABS (2022), Employee Earnings and hours, Australia , Data cube 1, table 2, May 2021, viewed 15 February 2022, https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/employee-earnings-and-hours-australia/latest-release
Note: Based on full-time average weekly total cash earnings and inclusive of ordinary and overtime earnings.

Gender pay gaps by occupation

Occupational full-time gender pay gaps are calculated across the WGEA dataset by management and non-management occupational categories. The calculations are based on the annualised base salary and total remuneration of employees in non-public sector organisations.

Overall, WGEA data shows that in 2020-21 the gender pay gap was higher among managers compared to non-managers. The smaller gender pay gap is largely due to less discretionary pay and greater reliance on awards and collective agreements among non-managers. In 2020-21:

- •the gender pay gap for managers was 23.3% with an average total remuneration dollar difference of \$46,770
- •the gender pay gap for non-managers was 19.0% with an average total remuneration dollar difference of \$19,070.

The gender pay gap by manager category

WGEA data across manager categories shows that gender pay gaps increase at higher levels of management. The gender pay gap in total remuneration in part reflects the role of non-salary benefits in management, including bonuses.

In 2020-21:

•the highest average full-time total remuneration gender pay gap was for key management personnel (KMP) at 23.1%. This means that, on average, female KMPs earn \$86,851 less than men.

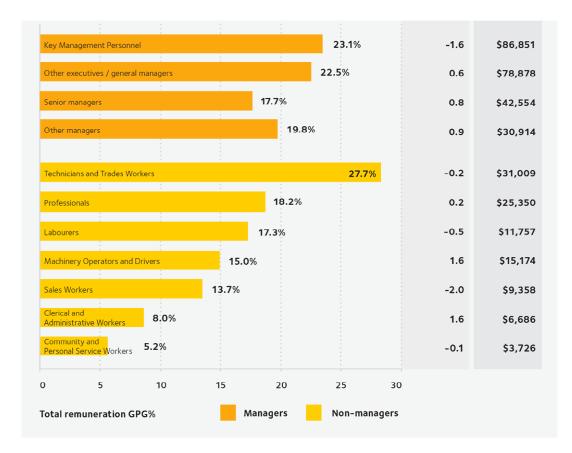
The gender pay gap by occupational category

WGEA data for non-manager occupations shows a gender pay gap in favour of men across all occupational categories. The gender pay gap in total remuneration partly reflects the role of non-salary benefits, including bonuses across specific occupations. For example, Technicians (which includes engineers), are likely to receive bonuses upon completion of projects.

In 2020-21:

- •the highest gender pay gap by occupation was for Technicians and trade, at 27.7% full-time total remuneration
- •the lowest gender pay gap by occupation was for Community and personal service workers, at 5.2% full-time remuneration.

Figure 5: Gender pay gaps by manager category and non-manager category (full-time total remuneration gender pay gap by manager category and non-manager category), 2020-2021



Data source: WGEA (2022), Australia's gender equality scorecard: https://www.wgea.gov.au/publications/australias-gender-pay-gap-statistics

Note: Based on total remuneration of full-time employees, which includes full-time base salary plus any additional benefits payable directly or indirectly, whether in cash or in a form other than cash. Includes bonus payments (for example, performance pay), superannuation, discretionary pay, overtime, other allowances and other benefits (for example, share allocations).

WGEA Resources

<u>WGEA Data Explorer</u>: displays gender pay gap data (based on a census of non-public sector organisations with 100 ormore employees that are required to report to the Agency and representing over 40% of Australian employees)

Australia's gender equality scorecard: released in February 2022

<u>Wages and Ages: Mapping the Gender Pay Gap by Age</u> - New WGEA data shows workplace outcomes and inequalities at the intersection of gender and age.

References

- 1) ABS (2022), Average Weekly Earnings, May 2022, viewed 18 August 2022, https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release
- 2) Data Source: ABS (2022), Employee Earnings and hours, Australia, Data cube 1, table 2, May 2021, viewed 15 February 2022, https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/employee-earnings-and-hours-australia/latest-release
- 3) WGEA (2022), WGEA Data Explorer: http://data.wgea.gov.au/
- 4) ABS (2022), Average Weekly Earnings, May 2022, viewed 18 August 2022, https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release
- 5) Ibio
- 6) ABS (2020) Methods changes during the COVID-19 period, June 2020, cat. no. 1359.0, viewed August 2020, https://www.abs.gov.au/articles/methods-changes-during-covid-19-period
- 7) Unless otherwise stated, all measures of the gender pay gap are expressed as a percentage (%) based on average weekly ordinary time earnings for full-time employees (trend data), with changes over time provided as the percentage point (pp) difference.





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