



Factsheet Series

Australia's Gender Pay Gap Statistics



February 2019



Gender pay gap by state and territory

| Lowest | Highest | | |
|----------|-------------------|--|--|
| Victoria | Western Australia | | |
| 9.3% | 23.1% | | |

Gender pay gap by industry

| Lowest | Highest | |
|--|--|--|
| 5.1% Public Administration and Safety | 26.9% Financial and Insurance Services | |

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 a number of 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 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.* The survey estimates the full-time adult average weekly ordinary time earnings (trend) before tax, excluding factors such as overtime, pay that is salary sacrificed and junior and part-time employees. Trend data is less sensitive to seasonal changes, which can make the data 'noisy'. Trend data smoothes out the noise and can give a better overview of the long term behavior of the data.**

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

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 category in Australia.

^{*} ABS (2019), Average Weekly Earnings, November 2018, cat. no. 6302.0, viewed 20 February 2019, http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0

^{**} ABS (2012), Interpreting Time Series: Are you being misled by the Seasons, 2012, viewed 20 February 2019, http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/1346.0.55.003Main+Features202012

^{***} ABS (2017), Employee Earnings and Hours, Australia, May 2018, cat. no. 6306.0, viewed 20 February 2019, http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6306.0

^{****} WGEA (2019), WGEA Data Explorer: http://data.wgea.gov.au/

The national gender pay gap

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

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

At November 2018, women's average weekly ordinary full-time earnings across all industries and occupations was \$1,455.80 compared to men's average weekly ordinary full-time earnings of \$1,695.60.



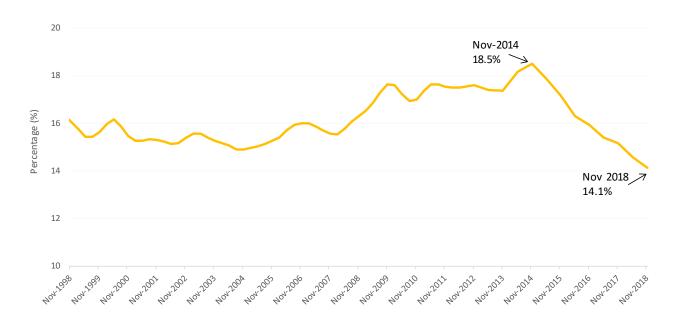
The national gender pay gap over time

Australia's national gender pay gap has hovered between 14% and 19% for the past two decades.* There has been a decrease of 1.1 pp in the gender pay gap since November 2017 (15.2%).

Between 1998 and 2018 the national gender pay gap was:

- lowest in November 2018, at 14.1%
- highest in November 2014, at 18.5%.

Figure 1: The Australian national gender pay gap, November 1998 - November 2018**



Data source: ABS (2019), Average Weekly Earnings, November 2018, cat. no. 6302.0, viewed 21 February 2019, http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0

Note: Based on full-time adult average weekly ordinary time earnings, trend series.

^{*} 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.

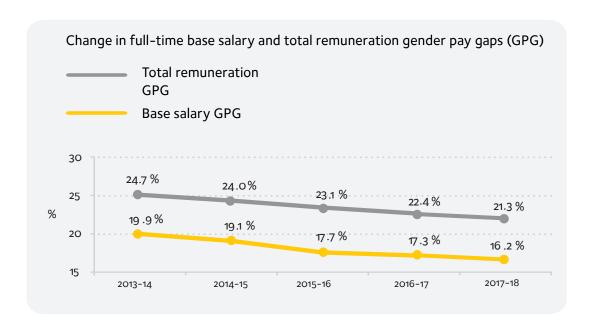
^{**} The release frequency changed from quarterly to bi-annual between May and November 2012. May 2012 represents the start of the new bi-annual series.

WGEA Data

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 full-time total remuneration gender pay gap based on WGEA data is 21.3%, meaning men working full-time earn nearly \$25,717 a year more than women working full-time.

Figure 2: Full-time base salary and total remuneration, 2013-14 to 2017-18



Source: WGEA (2018), Australia's gender equality scorecard, https://www.wgea.gov.au/sites/default/files/documents/WGEA_2017-18%20Gender%20 Equality%20Scorecard.pdf

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 (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 is concentrated in Mining and Construction sectors, industries with relatively high earnings and low representation of women. In contrast, the majority of the full-time workforce in the Australian Capital Territory is employed in the Public Administration and Safety sector, which traditionally has a lower gender pay gap and balanced gender representation. As of November 2018:

- Western Australia has the widest gender pay gap at 23.1%.
- Victoria and South Australia have the smallest gender pay gaps at 9.3% and 9.4% respectively.

Between 2017 and 2018 the gender pay gap has decreased in the Northern Territory and Victoria by 5.1 and 3.1 percentage points (pp) respectively, followed by South Australia with a decrease of 0.8 percentage points. The Australian Capital Territory and Western Australia were the only regions to record higher gender pay gaps, with increases of 1.7 and 0.6 percentage points respectively.

Table 1: Full-Time Adult Weekly Ordinary Time Earnings gender pay gap by state and territory, November 2017–November 2018*

| State/Territory | November-2017 | November-2018 | Difference (pp) |
|------------------------------|---------------|---------------|-----------------|
| Western Australia | 22.5 | 23.1 | 0.6 |
| Queensland | 17.9 | 17.3 | -0.6 |
| Northern Territory | 20.6 | 15.5 | -5.1 |
| Australian Capital Territory | 12.6 | 14.3 | 1.7 |
| New South Wales | 14.3 | 13.8 | -0.5 |
| Tasmania | 10.7 | 10.3 | -0.4 |
| South Australia | 10.2 | 9.4 | -0.8 |
| Victoria | 12.4 | 9.3 | -3.1 |
| Australia | 15.4 | 14.6 | -0.8 |

Data source: ABS (2019), Average Weekly Earnings, November 2018, cat. no. 6302.0, viewed 21 February 2019, http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0

Note: Based on Full-Time Adult Average Weekly Ordinary Time Earnings with November as the reference period. States and territories are ranked from highest gender pay gap to lowest gender pay gap in November 2018, followed by the national gender pay gap result.

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 Financial and Insurance Services with 26.9%, followed by Health Care and Social Assistance with 25.8% and Rental, Hiring and Real Estate Services with 22.7%
- lowest in Public Administration and Safety with 5.1% and Retail Trade with 5.2%

Between November 2017 and 2018:

- the largest gender pay gap increases were in Health Care and Social Assistance (+3.0 pp), Other Services (+2.2 pp) and Mining (+0.9 pp)
- the largest decrese in the gender pay gap were in Construction (-7.7 pp), Accommodation and Food Services (-3.2 pp), and Retail (-2.9 pp)

^{*} A minus sign indicates that the gender pay gap has decreased from the previous period

Table 2
Full-time Adult Average Weekly Ordinary Time Earnings gender pay gap by industry, November 2017- November 2018*

| Industry | Nov-2017 | Nov-2018 | Difference |
|--|----------|----------|------------|
| Financial and insurance services | 26.1 | 26.9 | 0.8 |
| Health Care and Social Assistance | 22.8 | 25.8 | 3.0 |
| Rental, Hiring and Real Estate Services | 23.6 | 22.7 | -0.9 |
| Professional, Scientific and Technical Services | 22.6 | 21.2 | -1.4 |
| Arts and Recreation Services | 23.0 | 21.1 | -1.9 |
| Information Media and Telecommunications | 19.1 | 18.5 | -0.6 |
| Mining | 16.0 | 16.9 | 0.9 |
| Transport, Postal and Warehousing | 17.9 | 15.7 | -2.2 |
| Administrative and Support Services | 16.4 | 15.6 | -0.8 |
| Wholesale | 15.0 | 13.4 | -1.6 |
| Construction | 20.2 | 12.5 | -7.7 |
| Education and Training | 11.3 | 11.5 | 0.2 |
| Manufacturing | 12.8 | 11.4 | -1.4 |
| Electricity, Gas, Water and Waste Services | 10.5 | 10.1 | -0.4 |
| Other Services | 6.8 | 9.0 | 2.2 |
| Accommodation and Food Services | 11.6 | 8.4 | -3.2 |
| Retail | 8.1 | 5.2 | -2.9 |
| Public Administration and Safety | 6.8 | 5.1 | -1.7 |

Data source: ABS (2019), Average Weekly Earnings, November 2018, cat. no. 6302.0, viewed 22 February 2019, https://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0

Note: Based on Full-Time Adult Average Weekly Ordinary Time Earnings with November as the reference period. Industries are ranked from highest gender pay gap to lowest gender pay gap in May 2018.

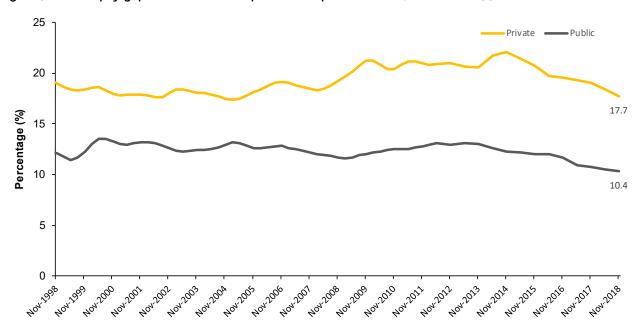
^{*} A minus sign indicates that the gender pay gap has decreased from the previous period.

Gender pay gaps in the private sector

In November 2018, the gender pay gap was 17.7% in the private sector and 10.4% in the public sector. Figure 3 shows that since 1998 the gender pay gap in the public sector has been considerably lower than in the private sector.

Since 1998, the gender pay gap has hovered between 17.4% and 22.1% in the private sector and between 13.5% and 10.4% in the public sector.

Figure 3: Gender pay gaps over time in the private and public sectors, November 1998 - November 2018



Data source: ABS (2019), Average Weekly Earnings, November 2018, cat. no. 6302.0, viewed 22 February 2018,

http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0

Note: Based on full-time adult average weekly ordinary time earnings.

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 in 2018, 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 than women regardless of the method by which pay is set.

Table 3: Average weekly total cash earnings (full-time) by gender and gender pay gap by method of setting pay (2018)

| Method of Setting Pay | Women | Men | Gender Pay Gap (%) |
|-------------------------------|------------|------------|-----------------------|
| Award or Collective agreement | \$1,492.80 | \$1,732.80 | 13.9 |
| Individual arrangement | \$1,549.60 | \$1,898.40 | 18.4 |
| Overall | \$1,515.60 | \$1,810.90 | 16.3 |

Data source: ABS (2019), Employee Earnings and Hours, Australia, May 2018, cat. no. 6306.0, viewed 21 February 2018, http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6306.0May%202018?OpenDocument

Note: Based on full-time average weekly total cash earnings and inclusive of ordinary and overtime earnings.

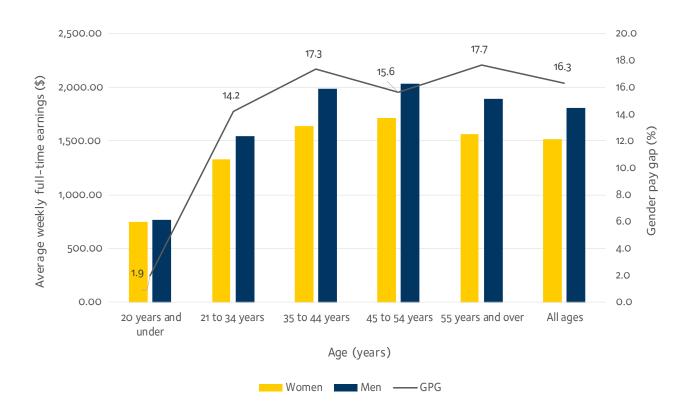
The gender pay gap by age group

The average gender pay gap between women and men working full-time increases with age up to the mid-30s before decreasing slightly to 15.6% in favour of men in the mid-40s. The average gender pay gap then increases again to 17.7% for the 55 years and over age group.

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 the 35 to 44 years age group and for those over 55 years.

The average gender pay gap increases to its highest point at 17.7% for the 55 years and over age group. Women in this age group are more likely than men to have spent time out of the workforce to care for children. 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.

Figure 4: Average weekly full-time earnings and gender pay gap by age, May 2018



Data source: ABS (2019), Employee Earnings and Hours, Australia, May 2018, cat. no. 6306.0, viewed 18 February 2019, http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6306.0

 $Note: Based \ on \ full-time \ average \ weekly \ total \ cash \ earnings \ and \ inclusive \ of \ ordinary \ and \ overtime \ earnings.$

The gender pay gap 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 2018 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 2018:

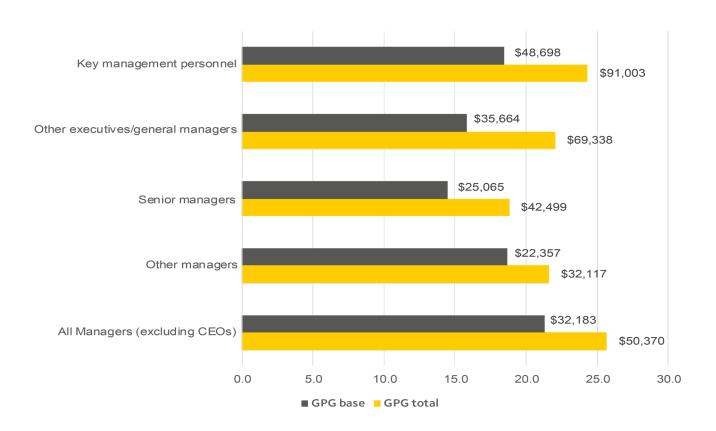
- the gender pay gap for all managers was 25.7% with an average total remuneration dollar difference of \$50,370
- the gender pay gap for all non-managers was 19.0% with an average total remuneration dollar difference of \$19,830.

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 2018:

• the highest average full-time total remuneration gender pay gap was for key management personnel at 24.3%. This means that on average, women earn \$91,003 less than men.

Figure 5: Full-time total remuneration gender pay gaps by manager category and non-manager occupation



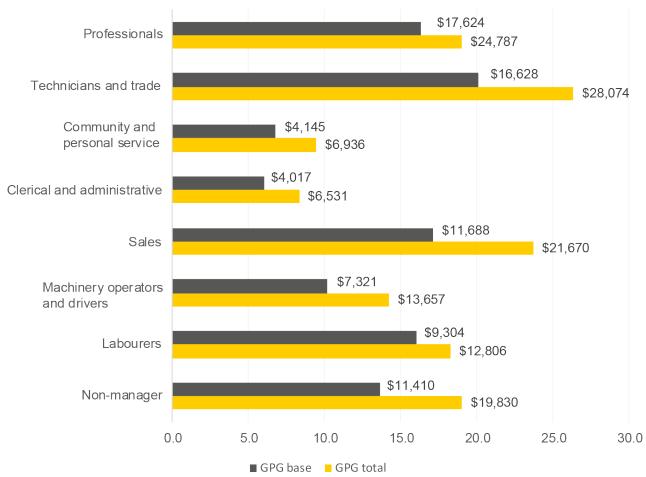
Source: WGEA (2019), WGEA Data Explorer: http://data.wqea.gov.au/

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).

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 2017–18:
- the highest gender pay gap by occupation was for Technicians and trade, at 26.4% full-time total remuneration
- the lowest gender pay gap by occupation was for Clerical and administrative, at 8.3% full-time remuneration.

Figure 6: Gender pay gaps by non-manager occupations (full-time employees, base salary and total remuneration), 2018



Source: WGEA (2019), WGEA Data Explorer: http://data.wgea.gov.au/

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 or more employees that are required to report to the Agency and representing over 40% of Australian employees)

Australia's gender equality scorecard: released in November 2018

<u>Gender Equity Insights Reports: Inside Australia's Gender Pay Gap</u>: released March 2017 for a more detailed analysis of the Agency's gender pay gap data (such as by governing boards' gender composition and by whether organisations are more female-dominated, male-dominated or mixed).





Advice and assistance

For further advice and assistance, please contact:

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