

MEDIA RELEASE

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The national gender pay gap drops to 13.4%

The Workplace Gender Equality Agency announced today that that national gender pay gap has dropped to **13.4%**, a decline of **0.6 percentage points** over the last six months.

Using the latest Average Weekly Earnings seasonally adjusted series data released by the Australian Bureau of Statistics (ABS), the Workplace Gender Equality Agency has calculated the national gender pay gap as **13.4% for full-time employees, a difference on average of \$242.20 per week between women and men.**

Libby Lyons, Director of the Workplace Gender Equality Agency, said she was pleased to see a drop in the gender pay gap and believes it may reflect labour market volatility caused by the effects of the COVID-19 pandemic.

“I understand that this result is, in part, due to an increase in the number of men in lower-paid full-time employment. After all the economic shocks and uncertainties we lived through in 2020, it is very welcome news to have more people in full-time jobs. It is also a very positive sign that our economic recovery is underway.

“It does not, however, reflect any underlying structural changes to women’s overall position in the workforce. I expect to see more labour market volatility over the next 12-24 months as the nation settles into a new post-COVID-19 employment environment. As the nation’s recovery progresses, we may well see male wages increase with little or no positive improvement in the wages of women. If this happens, it is feasible that the gender pay gap will increase.

“It is also important to highlight that this figure does not consider the number of women and men who are under-employed, that is those who have left the workforce or have had their hours reduced.

“Despite this positive result, Australian employers still need to ensure gender equality remains a top business priority. There are indications that the momentum towards gender equality in our workplaces is stalling. The challenge we now face is to ensure that all employers take immediate action to remedy this and reverse the indicative trend.

“I appreciate that 2020 was a very difficult year for many Australian businesses but we cannot allow the effects of the COVID-19 pandemic to be an excuse for inaction and inertia. Our economic recovery depends on women and men having genuine choice and equal access to re-engage and fully participate in the workforce. In fact, the business case is very clear. Improving gender equality outcomes in your business will improve your company’s performance, productivity and profitability.

“Achieving workplace gender equality is not just a commercial imperative. It is also one of the most effective ways to close our nation’s stubborn gender pay gap. Australian employers play a crucial role in this process. I urge all employers to pick up the pace and take action on pay equity to ensure the work of all female employees is fairly valued and rewarded, as is the case for men,” said Ms Lyons.

About the national gender pay gap

The national gender pay gap measures the difference between the average weekly full-time base salary earnings of women and men, 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.

Key facts

- The national gender pay gap is 13.4%.
- On average, women working full-time earned \$1562.00 while men working full-time earned \$1804.20.
- Full-time average weekly earnings difference between women and men is \$242.20.

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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.



Background information on the new national gender pay gap

What is the difference between the gender pay gap and equal pay?

Equal pay is the concept of women and men being paid the same for performing the same role or different work of equal or comparable value. In Australia, this has been a legal requirement since 1969.

The **gender pay gap** is different to equal pay. It measures the difference between the average earnings of women and men in the workforce. It is not the difference between two people being paid differently for the same or similar job, which is unlawful.

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.

What are the changes to this instalment of Average Weekly earnings data?

Traditionally, 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 survey.

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 has suspended the use of trend data.

Instead, WGEA has used seasonally adjusted data to calculate average weekly earnings during the COVID-19 period. **This means the Agency will not compare this year's gender pay gap statistics to previous years.**

Read the ABS's explanation [here](#) about why they have suspended trend estimates during the COVID-19 period.

What is the difference between trend data and seasonally adjusted data?

Understanding the difference between trend estimates and seasonally adjusted estimates is important when you are examining a series of data points and comparing data points to each other.

Seasonally adjusted estimates are produced by removing the seasonal (intra-year) patterns from a dataset. They provide useful information on the effects of short-term, major events.

The trend estimates are less sensitive to sampling variations which can make the data 'noisy'. Trend estimates smooth out the noise from the seasonally adjusted estimates and can give a better overview of the long-term behaviour of the data.

Find out more [here](#) about the difference between trend estimates and seasonally adjusted estimates.

What does the AWE data tell us about the current labour market situation?

The biannual AWE data is a snapshot in time. This survey was in November 2020 and there have obviously been some changes since November as a result of COVID-19. It is not a complete reflection of what has been happening in the Australian labour market.

This survey also only captures full time workers. It does not include part time workers or those out of the workforce. People who were usually employed full-time but have had their hours reduced as a result of COVID-19 will have left this cohort.