

COVID-19 and the Australian workforce

August 2020

Australia's full-time gender pay gap

14%

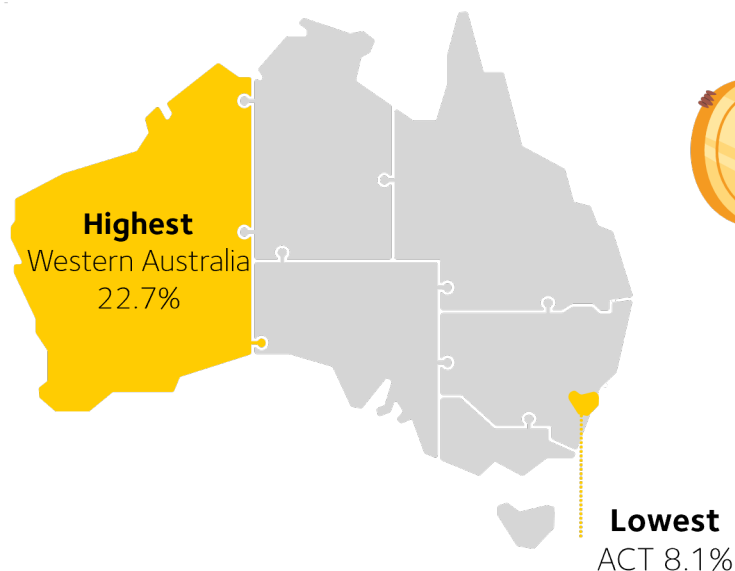
Men \$1,812.00
Full-time average
weekly earnings of
men

Women earn on average
\$253.60 per week less
than men

Women \$1,558.40
Full-time average
weekly earnings of
women



Gender pay gap by state and territory



Gender pay gap by industry



Lowest
Public Administration
and Safety
5.8%

Highest
Professional, Scientific
and Technical Services
24.1%



The gendered impact of COVID-19

Since April 2020, the Workplace Gender Equality Agency (WGEA) has been monitoring the impact of COVID-19 on the Australian workforce. To date, both women and men have been affected by job losses and underemployment. Emerging data has also shown that the global health pandemic is impacting women and men differently.

- Both women and men have experienced a decrease in payroll jobs and total wages paid to them.¹
- Women experienced a greater reduction in hours worked at the beginning of the pandemic.²
- While many Australians balanced caring for children and working from home, more women than men reported spending more time caring for children and adults and doing household chores.³
- Women have reported the onset or escalation of domestic violence by a current or former cohabiting partner.⁴
- A predominantly female healthcare workforce⁵ has placed women on the frontlines of the crisis.
- More men than women have died from COVID-19.⁶

Emerging research highlights the importance of continued action on gender equality, especially in light of the impact of COVID-19 on issues relevant to women's labour force participation and pay.

Workforce participation

As the global health pandemic caused by COVID-19 is ongoing, the impacts on workforce participation are still being understood through various national and state-based data collection efforts.

This factsheet draws on ABS Labour Force and Weekly Payroll Jobs and Wages data to assess patterns of employment, under-employment and unemployment during the COVID-19 period.

- Lower paying occupations and industries have been over-represented in job losses and reduced hours worked. Between February and May 2020:
 - ◇ The industries with the largest numbers of job losses were Arts and recreation services (down 35%) and Accommodation and food services (down 31%). Both of these industries have a gender balanced workforce composition. The Accommodation and food services industry also experienced the largest decrease in actual hours worked.
 - ◇ The occupations with the largest numbers of job losses were Hospitality workers (down 54%) and Sport and personal service workers (down 42%). Both of these form part of the broader Community and personal service occupational category, which is female-dominated. These workers also experienced a reduction in total hours worked by two-thirds.⁷
- Women experienced a larger decline in hours worked at the beginning of the COVID-19 pandemic, and also saw a larger increase in hours worked between May and June 2020⁸ and between June and July 2020.⁹
- Between mid-March and mid-July 2020, payroll jobs decreased by 4.8% for men and by 4.4% for women.¹⁰
- The workforce participation rate is 59.9% for women and 69.6% for men as of July 2020, a decline from 61.4% for women and 70.9% for men in February 2020.¹¹

Given impacts are still emerging, it will be important to continue monitoring this data to build a strong picture of the impact of COVID-19 on women's and men's workforce participation.

The gender pay gap

The national gender pay gap

Currently, Australia's national gender pay gap is 14.0%. This figure was been calculated by WGEA using seasonally-adjusted average weekly earnings data from the ABS.¹²

At May 2020, women's average weekly ordinary full-time earnings across all industries and occupations is \$1,558.40, compared to \$1,812.00 for men. This is a difference of \$253.60 per week.



The impact of COVID-19 on the gender pay gap

Given changes to the data by the ABS during the COVID-19 period, it is not possible to compare the current national gender pay gap to previous periods. The national gender pay gap during the COVID-19 period has also been influenced by a number of factors:

- Lower paying industries and jobs were over-represented in the number of job losses and reduced hours of work. This means they are not included in the full-time workforce, explaining overall increases in the average weekly earnings for both men and women.
- Jobkeeper payments¹³, which came into effect from 1 May, are included in the ABS Average Weekly Earnings data. This has increased the average weekly earnings of some workers to \$750 per week. Data shows that more men are receiving JobKeeper payments than women (see table 1).

Table 1: Employees and business participants receiving JobKeeper Payments by gender for April 2020 JobKeeper fortnights

Gender	Individuals
Male	52.9%
Female	47.1%

Data source: The JobKeeper Payment: Three-month review, June 2020 viewed 13 August 2020 https://treasury.gov.au/sites/default/files/2020-07/jobkeeper-review-2020_0.pdf

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

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.

As of May 2020:

- Western Australia has the widest gender pay gap at 22.7%. This workforce is concentrated in the Mining and Construction sectors, which have relatively high earnings and low representation of women
- ACT has the smallest gender pay gap at 8.1%. This workforce is concentrated in the Public Administration and Safety Sectors, which has gender balanced representation.

Table 2: Full-Time Adult Weekly Ordinary Time Earnings gender pay gap by state and territory, May 2020

State/Territory	May-2020
Western Australia	22.7%
New South Wales	15.3%
Queensland	15.3%
Northern Territory	12.2%
Victoria	9.9%
Tasmania	8.5%
South Australia	8.4%
Australian Capital Territory	8.1%
Australia	14.0%

Data source: ABS (2020), Average Weekly Earnings, May 2020, cat. no. 6302.0, viewed 13 August 2020, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>

Note: Based on Full-Time Adult Average Weekly Ordinary Time Earnings with May as the reference period. States and territories are ranked from highest gender pay gap to lowest gender pay gap in May 2020, followed by the national gender pay gap result.

The gender pay gap by industry

The full-time average weekly base salary gender pay gap differs across Australian industries. Data shows that the:

- Professional, Scientific and Technical Services industry has the highest gender pay gap at 24.1%, followed by Financial and Insurance Services at 22.6%
- Retail industry has the lowest gender pay gap at 9.1%, followed by Manufacturing at 9.2%.

Table 3: Full-time Adult Average Weekly Ordinary Time Earnings gender pay gap by industry, May 2020

Industry	Gender pay gap
Professional, Scientific and Technical Services	24.1%
Financial and Insurance Services	22.6%
Healthcare and Social Assistance	21.3%
Rental, Hiring and Real Estate Services	19.0%
Information Media and Telecommunications	17.5%
Administrative and Support Services	16.5%
Mining	15.9%
Construction	15.7%
Transport, Postal and Warehousing	15.5%
Wholesale	13.3%
Education and Training	12.3%
Arts and Recreation Services	10.7%
Electricity, gas, water and waste services	10.1%
Accommodation and Food Services	9.6%
Manufacturing	9.2%
Retail	9.1%
Public Administration and Safety	5.8%
Other Services	-0.6%

Data source: ABS (2020), Average Weekly Earnings, May 2020, cat. no. 6302.0, viewed August 2020, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0> 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 2020.

About the gender pay gap

The gender pay gap 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.

Australian Bureau of Statistics (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.

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 WGEA using ABS Full-Time Adult Average Weekly Ordinary Time Earnings Seasonal series from the Australian Weekly Earnings (AWE) survey. The survey estimates the full-time adult average weekly ordinary time earnings (seasonal) before tax, excluding factors such as overtime, pay that is salary sacrificed and junior and part-time employees.

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.

$$\text{GPG} = 100\% * \frac{\text{Male Average Earnings} - \text{Female Average Earnings}}{\text{Male Average Earnings}}$$

Changes to the 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.¹⁴

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.¹⁵

Instead, seasonally adjusted data has been used 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.

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.

References

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Advice and assistance

For further advice and assistance,
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