

Equal Pay Day factsheet

In Australia, Equal Pay Day 2010 will take place on 4 September. This date illustrates the number of extra days many women have to work after the end of the financial year to earn the same as men – because women on average now earn 18 percent less than men.¹

On Equal Pay Day 2009, EOWA launched a pay equity resource site on the Agency website which provides statistics, a comprehensive pay equity audit tool, fact sheets and resources for businesses on pay equity. Later in the year EOWA will be launching an online pay equity training module for human resource practitioners.

Key statistics

- In February 2010, the gender pay gap was 18.0%.²
- The data show a widening of the gender pay gap in Australia, with the gap increasing by 0.5pp over the quarter (from 17.5%) and 1.5pp over the year (from 16.5%).³
- The average weekly ordinary time earnings of females working full-time were \$1,091.30 per week or \$239.30 per week less than their male counterparts, who earned an average of \$1,330.60 per week in February 2010.⁴
- The gap is higher in the private sector at 21.7% compared with 12.1% in the public sector.⁵
- The gap is now at its highest level since August 1994.⁶
- Industries with the highest pay gap in February 2010 are Financial and Insurance Services (29.3%), Healthcare and Social Assistance (29.0%), Rental, Hiring and Real Estate Services (28.3%) and Professional Scientific and Technical Services (27.6%).⁷
- Industries with the lowest gender pay gap were Transport, Postal and Warehousing (6.5%), Public Administration and Safety (8.6%) and Education and Training (9.8%).⁸
- The pay gap is higher for employees on unregistered collective agreements (32.3%); registered collective agreements (29.8%); registered individual agreements (30.3%) and unregistered individual arrangements (29.8%) than when pay is set by award only (16.7%).⁹
- A NATSEM report released in March 2010 shows that simply being a woman accounts for 60 per cent of the difference between men's and women's earnings. The gap impacts negatively on women's labour force participation. That is women earning less than men acts as a disincentive for women to enter paid work or to work more hours.¹⁰
- A decrease in the average gender pay gap of 1 percentage point from 17% to 16% would increase GDP per capita by approximately \$260 which equates to approximately \$5,497 million or 0.5% of GDP assuming the population is held constant.¹¹



- It is estimated that a 17% pay gap between men and women workers costs the Australian economy \$93 billion each year. This equates to 8.5% of GDP. As such, the current gap of 18% will now cost the economy even more.¹²
- A recent KPMG report shows that indirect costs to the Australian economy of the gender pay gap include potentially higher unemployment and underemployment – meaning women have less ability to accumulate adequate superannuation and are more likely to require government care.¹³
- Women are two and a half times more likely to live in poverty in their old age than men – by 2019, on average, women will have half the amount of superannuation that men have.¹⁴
- In 2009, female graduate starting salaries were, on average \$3000 less per year than that of their male equivalents. In some industries female graduates are severely disadvantaged; the average gender pay gap for graduates in Architecture and Building is \$6800 per year.¹⁵
- The gender pay gap for female executive managers is significant and in some positions (CFO and COO) women earn less than half of their male equivalents. Even in positions where women are more likely to work they earn significantly less than their male counterparts.¹⁶
- If current earning patterns continue, the average 25 year old male would earn \$2.4 million over the next 40 years, while the average female would earn \$1.5 million.¹⁷

For more information on Equal Pay Day, visit the pay equity resources section of the EOWA website.

- 1 The calculation is based on the gender pay gap using seasonally adjusted ABS Average Weekly Ordinary Time Earnings at February in the given year (ABS Cat No 6302.0) using the following formula – $365 \times \text{GPG} / 100$ ie $365 \times 18 / 100 = 65.7$ - rounded to 66 extra days starting from 1 July results in September 4.
- 2 ABS Cat No 6302.0 Average Weekly Earnings, Australia, Feb 2010 (released May 2010).
- 3 Ibid.
- 4 Ibid.
- 5 Ibid.
- 6 Ibid.
- 7 Ibid.
- 8 Ibid.
- 9 Source: ABS, Employee Earnings and Hours, Australia, August 2008 (cat. no. 6306.0), Table 9, Methods of setting pay, average weekly total earnings and hours paid for, non-managerial employees — States and territories (Australia)
- 10 NATSEM Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs (2009), The Impact of a Sustained Gender Wage Gap on the Australian Economy
- 11 Ibid
- 12 Ibid.
- 13 KPMG/DCA (2009) Understanding the Productivity Effects of the Gender Pay Gap in Australia.
- 14 Queensland Government, (2009), “Women and Superannuation,” Focus on Women, Office for Women, Information Paper.
- 15 Graduate Statistics Online, (2009).
- 16 EOWA, (2009), Pay, Power and Position: Beyond the 2008 Australian Census of Women in Leadership.
- 17 AMP NATSEM, (2009), “She works hard for the money,” *Income and Wealth Report*, Issue 22, p.34.