

Office of Fair and Safe Work Queensland

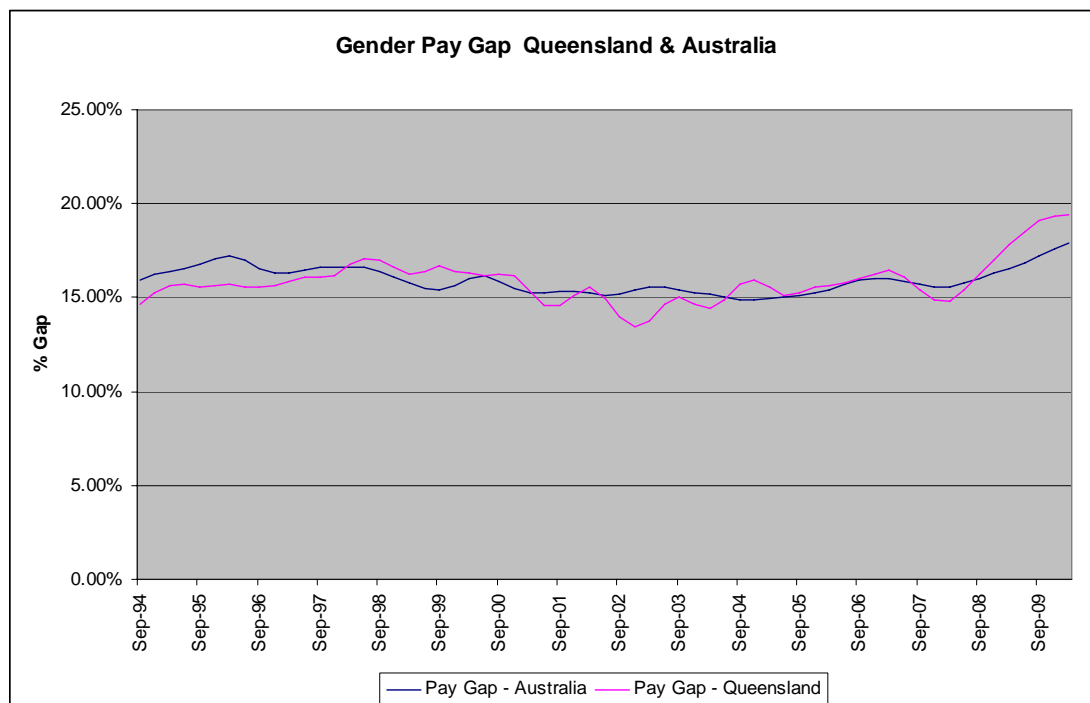
Pay equity and the gender pay gap in Queensland

What is the gender pay gap?

The gender pay gap refers to the difference in average earnings of men and women. Pay equity is the process of narrowing the gap in remuneration between females and males.

The gender pay gap in Queensland is 19.5 per cent¹. This means that on average for every dollar earned by a full time male employee, full time female employees earn 80 cents. This pay gap figure is based on full time adult ordinary time earnings figures compiled by the Australian Bureau of Statistics (ABS). Part time and casual employees are not included, nor are overtime payments.

Queensland has traditionally been close to the national average in terms of the gender pay gap. Nationally the gender pay gap is 18 per cent. In Queensland, the difference between men and women's pay has been steadily declining over the last two years. This effect has been more pronounced in Queensland than the national average, as can be seen from the chart below.



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Why does it matter?

Increasing female participation rates is a key solution to Queensland's ongoing labour shortages. Australia's ageing population and changing demographics mean that a shortage of skilled employees is likely to be a long term issue for Queensland business. Addressing pay equity in the workplace is a critical strategy to improve opportunities for women's workforce participation and remove barriers to career progression.

For women the gender pay gap can cause lower income in the short term, as well as lower lifetime earnings and retirement savings. This impacts on the level of income available to families and may mean both women and men work longer hours and have reduced work life balance.

Why does the gender pay gap exist?

Many different factors contribute to the gender pay gap. Key factors in women earning less than men over their life cycle are:

- a lack of permanent part time jobs and flexible working arrangements restricts the ability to combine quality employment and family care responsibilities and impacts on current and future earnings potential. This applies to all employees, but impacts most on women who have dependant children.
- women taking time out of the work force or working in part time and casual jobs. This pattern can influence the overall pay gap through differential starting wages and different patterns of progression in female and male careers.
- men and women still tend to work in different areas of the workforce and to be clustered into separate occupations and industries. Those industries and occupations that are female dominated have traditionally been undervalued in relation to male dominated occupations.

What is happening about pay equity?

The Office of Fair and Safe work Queensland and the Office for Women are working together to advance pay equity outcomes and encourage greater opportunities for workforce participation and career development for Queensland women. The Queensland Government actively supports strong industrial and regulatory approaches to pay equity. Queensland's industrial relations framework has facilitated four successful equal remuneration cases in Queensland during the past decade. The Queensland Government is promoting this successful framework at a federal level.

Other relevant Queensland Government initiatives include:

- partnerships to support pay equity research projects
- the Women in Hard Hats strategy, which addresses gendered workforce clustering by promoting women's participation in non-traditional industries
- the Work-Life Balance Strategy, which promotes access to and uptake of flexible work arrangements
- a strategy to encourage women's participation on boards, to increase women's representation in leadership positions

¹ ABS Average Weekly Ordinary Time Earnings (AWOTE) Cat. No. 6302 February 2010 (quarterly trend data)