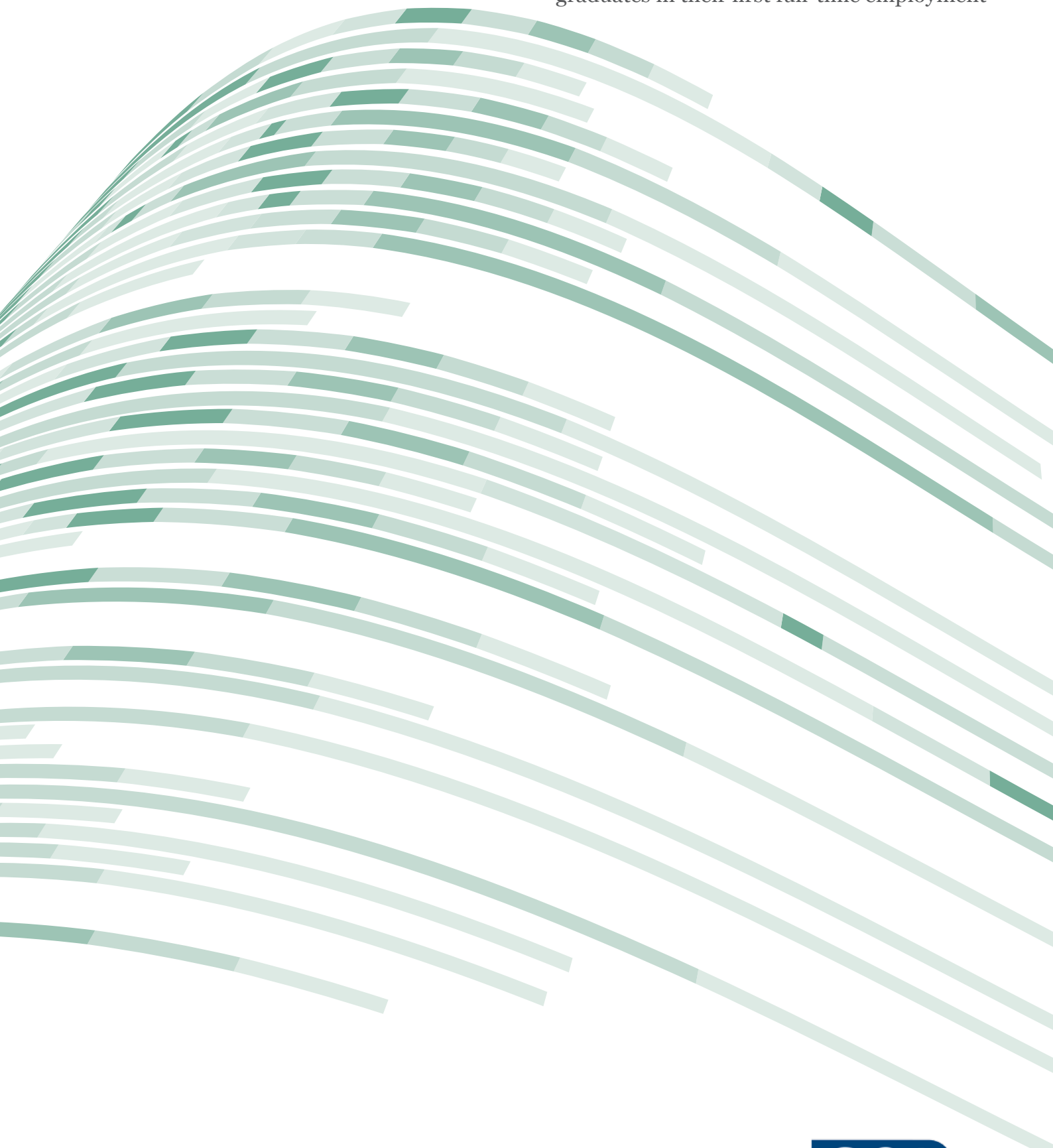


GRADUATE SALARIES 2014

A report on the earnings of new Australian graduates in their first full-time employment



Graduate Salaries 2014

A REPORT ON THE EARNINGS OF NEW AUSTRALIAN
GRADUATES IN THEIR FIRST FULL-TIME EMPLOYMENT





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Edwina Lindsay (Research Associate, Graduate Careers Australia) was the principal author of this report. Dr Noel Edge (Executive Director, Graduate Careers Australia) is the project director of the Australian Graduate Survey.

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Graduate Careers Australia cannot accept responsibility for any inferences or conclusions derived from these data by third parties.

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INTRODUCTION

“It should also be noted that first-year starting salaries are not necessarily indicative of graduates’ earning potential in later years of their careers...”

Welcome to *Graduate Salaries 2014*, the 29th edition of the annual report of the salaries of recent Australian higher education graduates. This report presents baseline information regarding the median starting salaries of bachelor degree graduates aged less than 25 and in their first full-time employment in Australia, along with comparative salary figures from other cohorts.

The Graduate Destination Survey (GDS), conducted annually by Graduate Careers Australia (GCA) as a part of the Australian Graduate Survey (AGS), is a study of the activities of new higher education graduates. In the 2014 GDS, new graduates who completed the requirements for their qualifications in the calendar year 2013 were surveyed (about four months after course completion) regarding their major activities, including participation in further study, full- or part-time employment, whether they were seeking employment, or were unavailable for work or study.

This report contains an overview of the most relevant of information available on salaries for new graduates. Further information can be found in more detailed tables and figures available for download in Microsoft Excel format from the Graduate Careers Australia website at www.graduatecareers.com.au/Research/ResearchReports/GraduateSalaries or by contacting GCA directly.

A number of tables and figures are discussed but not presented in this report. These supplementary tables and figures have been labelled accordingly within this report, and contain hyperlinks to the corresponding web page containing this extra information.

When interpreting the figures contained within this report it is important to keep in mind that graduate salaries may potentially be influenced by domestic labour market forces as well as national and global economic trends, and are therefore not necessarily reflective of the quality of graduates in terms of their academic results or employability skills.

It should also be noted that first-year starting salaries are not necessarily indicative of graduates’ earning potential in later years of their careers, as longer-term salary growth in different sectors of employment may be influenced by labour market and other economic factors, career choices or opportunities, geographical factors and, for graduates in certain fields, professional accreditation or registration requirements. A longer-term investigation of graduate salary growth is presented in *Beyond Graduation 2014*, a detailed investigation conducted by GCA, into the activities and outcomes of graduates from Australian higher education institutions approximately three and five years after the completion of their studies (GCA 2015a).

This report does not attempt to provide a cost-benefit analysis of obtaining a higher education qualification¹. A purely financial assessment of undertaking higher education would need to account for a wide range of costs, such as course fees, textbooks, living expenses, transport and childcare, as well as the opportunity costs resulting from the income forgone whilst studying. Moreover, such an analysis would fail to account for the personal growth and fulfilment stemming from a higher education that may be, to some individuals, a more powerful motivator to study than any potential for financial benefit or labour market advantage.

Throughout this report, we refer often to “Explanatory Notes”. These notes both act as a guide to some of the discussion contained within this report and as a glossary to some of the terms and concepts, including the use of Male Average Weekly Earnings (MAWE), interpretation of the statistical significance tests, fields of education and the methodology of the Australian Graduate Survey (AGS). These “Explanatory Notes” can be found at: www.graduatecareers.com.au/Research/ResearchReports/GraduateSalaries.

References to Australian Bureau of Statistics (ABS) publications are included throughout this report to provide comparative population benchmarks of salary growth; they should not be interpreted as prescriptive explanations of graduate salary levels. As in previous editions of this report, MAWE is used as the primary long-term benchmark of salary levels in the wider Australian population. (Average weekly earnings figures for females have only been collected by the ABS since 1981.) When appropriate, annualised average weekly earnings figures for males, females and all persons are included separately to permit more detailed comparisons between graduate salaries and earnings in the wider Australian population.

While the AGS is conducted as a census, whereby every graduate from an Australian higher education institution is approached for the purposes of data collection, the extent of non-response to the survey² means that it is reasonable, and indeed prudent, to use statistical methods to analyse the resulting sample of responses. Statistical significance tests are included in tables which examine whether key salary indicators, such as median salaries, working hours and hourly pay rates differ significantly between groups of interest.

¹ Recent studies have estimated that the average private rate of return of a university education in Australia is anywhere from 9.4 per cent (Chapman & Salvage 1997) to 14.5 per cent (Borland 2002), although this can vary considerably based on both the level and field of education of the qualification obtained.

² Overall, 40.7 per cent of the Australian resident graduates surveyed did not respond to the Graduate Destination Survey (GDS) component of the 2014 AGS (GCA 2015b).

1.0

GRADUATE STARTING SALARIES

“In 2014, the median starting salary for bachelor degree graduates ... was \$52,500 ...”

In 2014, the median starting salary for bachelor degree graduates aged less than 25 and in their first full-time employment was \$52,500 (essentially unchanged from \$52,450 in 2013, and \$52,000 in 2012).

The median starting salary for male and female graduates was \$55,000 and \$52,000 respectively (males remained unchanged from their 2013 figure whereas females increased by \$900 – see Table 1).

Dentistry remained the highest-paid field of education at \$75,000, followed by:

- optometry (\$70,000)
- engineering (\$62,000)
- earth sciences (\$60,000)
- mathematics (\$60,000), and
- medicine (\$60,000).

The largest growth in median starting salary between 2013 and 2014 was observed in the fields of:

- mathematics (\$5,000), and
- social work (\$5,000).

Comparatively, dentistry exhibited the largest decline in median starting salary between 2013 and 2014, decreasing by \$5,000.

However, given the small number of cases observed within this field, this difference should be interpreted with caution.

When examining differences in median graduate starting salary (GSS) by sex, statistically significant differences³ were observed in nine of the 23 fields of education under examination, seven of which showed a male pay advantage (although in the case of medicine and education graduates this pay advantage was negligible at \$300 and \$700, respectively).

Social sciences graduates exhibited the largest (statistically significant) male pay advantage, with male social science graduates earning a median starting salary \$8,000 greater than their female counterparts. This was followed by:

- architecture and building graduates (\$5,500)
- economics, business graduates (\$4,000), and
- paramedical studies (\$2,000).

The two statistically significant differences which showed a female pay advantage were observed in the fields of:

- engineering (\$5,000), and
- social work (\$3,500).

³ A statistically significant result is unlikely to have occurred by chance. As such, a statistically significant difference observed in the AGS sample can be reliably inferred to exist in the overall graduate population. For more information, please see explanatory notes at <http://www.graduatecareers.com.au/Research/ResearchReports/GraduateSalaries>

Table 1: Median starting salaries of bachelor degree graduates in first full-time employment and aged less than 25, by field of education and sector of employment, 2014 (\$, '000, n)^{a†}

	Sector of employment											Sex		
	Australian Government	State Government	Public Health	*Total Government	Professional Practice	Industry/Commerce	Schools	Tertiary Education	Total Education	Significance	\$ TOTAL	Males	Females	Significance
Accounting	58.0	†	†	55.5	50.0	50.0	†	†	†	*	50.0	50.0	50.0	
	10	†	†	26	414	275	†	†	†		730	381	349	
Agricultural Science	†	†	†	55.0	†	50.0	†	†	†		51.0	54.5	48.0	
	†	†	†	13	†	75	†	†	†		95	38	57	
Architecture & Building	†	†	†	60.0	41.5	50.0	†	†	†	**	48.8	50.0	44.5	**
	†	†	†	23	95	209	†	†	†		334	208	126	
Art & Design	†	†	†	†	†	40.0	50.0	†	50.0	**	40.0	40.0	40.0	
	†	†	†	†	†	211	28	†	36		279	82	197	
Biological Sciences	†	53.0	57.0	55.0	48.5	45.0	53.0	53.0	53.0	**	48.0	48.5	48.0	
	†	13	21	45	36	240	38	23	61		408	136	272	
Computer Science	58.0	†	†	58.0	56.0	53.0	†	59.0	56.0		55.0	55.0	53.5	
	19	†	†	29	19	292	†	11	18		370	309	61	
Dentistry	†	†	75.0	75.0	75.0	†	†	†	†		75.0	75.0	75.0	
	†	†	49	51	35	†	†	†	†		91	31	60	
Earth Sciences	†	†	†	†	†	60.0	†	†	†		60.0	60.0	61.0	
	†	†	†	†	†	56	†	†	†		71	52	19	
Economics, Business	60.5	53.0	†	57.0	50.0	48.0	45.0	54.8	48.0	**	50.0	50.0	46.0	**
	42	34	†	118	240	1,394	30	27	57		1,923	849	1,074	
Education	†	59.8	†	59.8	†	45.0	59.0	†	59.0	**	59.0	59.7	59.0	*
	†	15	†	23	†	46	939	†	943		1,062	179	883	
Engineering	65.0	61.5	†	63.0	59.3	63.0	†	†	58.0	**	62.0	60.0	65.0	**
	38	16	†	76	250	692	†	†	10		1,048	834	214	
Humanities	55.0	58.0	†	55.0	50.0	42.0	55.0	55.0	55.0	**	46.0	48.3	45.0	
	47	16	†	111	104	536	59	26	85		929	248	681	
Law	60.0	53.0	†	57.0	50.5	52.8	†	†	†		53.0	52.5	54.0	
	16	15	†	51	161	63	†	†	†		291	109	182	
Mathematics	†	†	†	†	†	58.7	61.0	†	61.0		60.0	60.0	60.0	
	†	†	†	†	†	41	13	†	15		70	47	23	
Medicine	†	†	61.0	61.0	54.0	44.0	†	†	†	**	60.0	60.3	60.0	*
	†	†	431	435	10	12	†	†	†		474	202	272	
Optometry	†	†	†	†	70.0	†	†	†	†		70.0	†	70.0	
	†	†	†	†	17	†	†	†	†		29	†	20	
Paramedical Studies	60.7	55.0	55.0	55.0	55.0	50.0	55.5	58.4	56.0	**	55.0	56.0	54.0	**
	12	11	1,010	1,042	255	390	32	12	44		1,857	323	1,534	
Pharmacy	†	†	44.3	44.3	†	39.0	†	†	†	**	40.0	40.0	40.0	
	†	†	58	58	†	190	†	†	†		251	82	169	
Physical Sciences	†	†	†	†	†	50.5	†	†	†		55.0	55.0	57.0	
	†	†	†	†	†	52	†	†	†		76	52	24	
Psychology	†	†	†	54.5	46.5	44.0	58.0	56.5	57.5	**	49.9	48.0	50.0	
	†	†	†	24	16	118	24	18	42		255	34	221	
Social Sciences	†	†	†	56.8	50.5	42.0	55.5	†	55.0	*	49.0	56.0	48.0	*
	†	†	†	33	10	37	12	†	15		108	27	81	
Social Work	†	†	58.4	59.0	†	45.0	†	†	†	**	55.0	52.0	55.5	*
	†	†	12	29	†	13	†	†	†		112	11	101	
Veterinary Science	†	†	†	†	46.3	†	†	†	†		46.3	†	45.0	*
	†	†	†	†	64	†	†	†	†		70	†	61	
TOTAL	60.0	55.0	57.0	57.0	52.0	50.0	59.0	55.0	58.0		52.5	55.0	52.0	
	223	169	1,607	2,219	1,747	4,957	1,215	152	1,367		10,933	4,252	6,681	

^a See 'Appendix A: Explanatory notes (Sections 1, 2, 5 and 7)'[†] Blank cells contain no, or fewer than 10 respondents.^{*} Total Gov't includes local government, which is not listed separately.[§] TOTAL includes the category 'other employers not elsewhere indicated' (including non-profit employers), which is not listed separately.

* = difference statistically significant at 5 per cent level; ** = difference statistically significant at 1 per cent level

When examining differences in median GSS by sector of employment, statistically significant differences were observed in 14 of the 23 fields of education under examination. Within these fields there was evidence of some very wide salary ranges, with 10 of these fields exhibiting median salary ranges of at least \$10,000 between the lowest and highest ranked sector of employment.

The widest median salary range was observed for medicine graduates (\$17,000), with medicine graduates employed in the public health sector earning the highest median starting salary (\$61,000) and medicine graduates employed in the industry and commerce sector earning the lowest (\$44,000). This large salary range must be interpreted with caution however as there were only three sectors with a valid number of cases in this field. This was followed by humanities graduates with a variance of \$16,000 (a median salary of \$58,000 in state government compared with a median salary of \$42,000 in industry and commerce).

Considerable differences were also observed when examining median GSS for graduates in particular sectors of employment within different fields of education (although this is hardly surprising considering that, in many cases, different fields of education lead to substantially different occupational pathways).

In the Australian government sector, engineering graduates earned the highest median starting salary at \$65,000, and humanities graduates earned the lowest median starting salary (\$55,000).

Again, engineering graduates earned the highest median starting salary in the state government sector (\$61,500), followed by education at \$59,800, while law, economics/business, and biological sciences graduates earned the lowest median starting salary (all at \$53,000). The figures for law and biological sciences should however be treated with some caution as they are based on small samples (n = 15 and n=13 respectively).

“In the Australian government sector, engineering graduates earned the highest median starting salary at \$65,000, and humanities graduates earned the lowest median starting salary (\$55,000).”

Dentistry graduates had, by a sizeable margin, the highest median starting salary in the public health sector (\$75,000), whereas pharmacy graduates earned the lowest median starting salary in this sector (\$44,300).

Dentistry graduates also earned the highest median starting salary in the professional practice sector (\$75,000), while architecture and building graduates earned the lowest median starting salary in this sector (\$41,500).

In the industry and commerce sector, engineering graduates earned the highest median starting salary at \$63,000. Art and design graduates earned the lowest median starting salary (\$40,000), which was the lowest median starting salary for any field of education within any sector of employment.

Mathematics graduates had the highest median starting salaries in the schools sector (\$61,000) while economics, business graduates earned the lowest median starting salary (\$45,000). The mathematics figure was based on a small number of responses (n= 13) and should be treated with caution.

In the tertiary education sector, computer science graduates earned the highest median starting salary (\$59,000), (although this figure was based on 11 cases), while biological sciences graduates earned the lowest median starting salary (\$53,000) in this sector.

Looking at the sectors themselves, overall, graduates employed in the Australian government sector again earned the highest median starting salary (\$60,000) in 2014, followed by the schools (\$59,000), and public health (\$57,000) sectors.

The schools and Australian government sectors have been the highest paid sectors since 2008. As was the case in recent years, graduates employed in the industry and commerce sector earned the lowest median starting salary (\$50,000).

“The schools and Australian government sectors have been the highest paid sectors since 2008.”

2.0

SALARIES FOR
MALES AND FEMALES

“The median starting salary for female graduates... was equivalent to 94.5 per cent of the median starting salary earned by their male counterparts...”

Median starting salaries for female graduates aged less than 25 and in their first full-time employment as a percentage of the corresponding median starting salary for male graduates are presented in Table 2. Some caution should be exercised when examining fields of education which typically contain a small number of responses (e.g. optometry).

The median starting salary for female graduates (\$52,000) was equivalent to 94.5 per cent of the median starting salary earned by their male counterparts (\$55,000) in 2014. This figure is 0.6 percentage points higher than the corresponding figure in 2013 (93.9 per cent) but 3.0 percentage points lower than the series high point of 97.5 per cent in 2005. The current figure is also less than the average of the last 10 years (94.7 per cent) albeit by a very small margin.

Table 2: Median starting salaries for female graduates as a percentage of median starting salaries for male graduates based on bachelor degree graduates aged less than 25 and in first full-time employment, by field of education, 1977–2014^{††}

	1977	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Accounting	97.7	96.0	99.1	98.3	99.3	98.0	98.7	98.2	98.4	99.5	94.0	100.0	100.0	99.6	98.0	96.0	98.8	100.0
Agricultural Science	96.0	87.5	95.2	92.6	93.5	93.8	94.8	100.0	92.3	97.6	103.2	98.7	97.6	96.0	100.0	100.8	100.0	94.8
Architecture & Building	103.4	100.0	95.8	86.7	97.1	92.8	89.0	96.6	96.6	89.7	100.5	89.5	90.4	85.1	100.0	97.8	100.0	92.0
Art & Design	†	†	†	†	†	†	†	†	†	†	†	†	90.0	99.0	93.2	95.7	91.7	95.8
Biological Sciences	100.0	101.0	98.2	94.5	91.7	99.3	93.9	99.4	99.5	98.0	98.6	97.8	97.9	96.8	97.7	100.4	96.5	98.9
Computer Science	101.0	99.1	100.0	99.3	98.1	97.1	100.0	101.0	99.5	97.4	97.6	98.5	99.3	99.3	100.0	93.6	100.0	96.7
Dentistry	94.2	90.3	86.3	80.7	91.7	83.3	82.2	87.7	90.3	95.0	93.9	88.6	83.4	92.8	95.0	105.2	96.9	86.8
Earth Sciences	†	93.8	102.5	92.4	95.0	104.6	105.2	101.6	96.7	95.7	96.6	108.0	96.8	106.3	112.4	100.0	100.0	105.6
Economics, Business	96.8	93.4	97.4	96.1	98.6	98.7	100.6	99.4	100.0	100.0	98.2	97.9	98.8	99.6	98.0	98.4	98.4	96.3
Education	95.1	99.1	101.7	93.7	94.2	96.0	100.0	97.9	101.0	99.5	99.1	100.0	97.6	95.9	93.3	92.6	94.5	96.4
Engineering	95.1	108.6	98.4	103.4	98.8	97.2	99.5	100.0	100.0	98.2	100.0	98.8	97.1	100.7	100.3	101.7	98.7	100.0
Humanities	100.0	96.0	93.8	98.3	91.5	92.7	99.4	98.8	99.4	101.0	98.6	95.9	97.3	99.1	100.0	94.6	96.0	94.2
Law	98.2	100.0	100.0	102.4	102.0	94.4	99.1	116.5	107.6	110.1	97.7	95.8	94.1	92.5	95.7	97.9	91.7	96.0
Mathematics	97.9	100.0	98.3	97.8	98.1	98.7	97.1	97.3	95.1	99.1	95.9	100.0	96.9	94.4	97.8	93.8	92.5	92.9
Medicine	90.7	96.0	97.4	97.1	98.5	97.7	92.9	95.7	98.0	98.4	98.6	96.4	95.4	85.7	92.1	100.0	95.0	100.0
Optometry	†	†	†	†	†	†	†	†	†	†	97.0	96.6	106.7	101.7	88.2	91.4	91.4	96.3
Paramedical Studies	†	†	†	†	†	†	†	†	†	†	97.5	92.0	96.3	96.9	96.2	92.6	99.2	96.3
Pharmacy	91.9	101.2	104.8	99.0	100.0	97.5	95.4	100.7	98.6	101.3	100.6	93.8	109.3	94.4	100.0	105.8	95.5	100.0
Physical Sciences	98.9	101.8	99.2	98.5	96.0	100.6	101.8	98.4	93.1	94.8	97.4	99.6	100.0	94.8	94.5	98.2	102.6	96.4
Psychology	96.9	98.0	96.4	97.6	98.6	96.7	96.3	95.1	100.0	97.1	95.6	96.1	98.3	99.2	94.6	100.8	104.2	96.3
Social Sciences	100.0	103.2	101.9	95.2	93.6	93.9	101.3	98.8	99.5	103.1	94.6	97.3	91.7	90.6	100.0	95.5	100.0	89.3
Social Work	96.2	99.1	103.3	100.7	104.2	103.0	100.0	97.0	99.0	99.1	95.3	98.3	†	†	†	†	93.9	96.4
Veterinary Science	†	98.2	94.3	96.2	100.0	100.7	98.1	94.3	99.5	98.6	99.1	92.4	96.2	98.9	100.7	96.4	100.0	100.0
Total	95.9	95.5	94.2	92.6	93.5	95.1	93.2	95.7	93.1	95.8	93.3	91.6	93.4	94.3	92.6	92.6	94.8	93.6

[†] See 'Appendix A: Explanatory notes (Sections 2, 9, 10 and 12).

[†] Data from 1978 are incompatible with those from other years and have been excluded from the series.

[†] Insufficient males or females in sample to allow comparison.

While median starting salaries for female graduates have experienced notable fluctuations relative to median starting salaries for male graduates over the years, pharmacy reported the highest female median graduate starting salary (GSS) relative to the median male GSS in the last 10 years (101.4 per cent) followed by engineering (101.2 per cent), social work (100.8 per cent) and earth sciences (100.1 per cent).

Architecture and building was the field of education with the lowest median female GSS relative to median male GSS, on average for the last 10 years (87.3 per cent), followed by economics and business (92.5 per cent) and art and design (94.8 per cent – see Table 2).

“...pharmacy reported the highest female median graduate starting salary (GSS) relative to the median male GSS...”

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	10 year Avg
	98.5	96.4	98.9	100.0	99.0	102.4	94.3	97.1	100.0	97.2	96.1	97.6	100.0	100.0	100.0	95.8	96.0	98.0	100.0	98.1
	97.4	102.2	98.6	97.2	100.0	100.0	100.0	100.3	94.3	103.3	99.0	102.5	97.7	96.6	102.3	102.2	99.0	98.0	88.1	98.9
	91.9	96.2	93.6	96.4	89.7	100.0	88.2	97.1	91.7	85.0	91.5	88.4	88.9	85.6	88.9	86.0	82.7	87.0	89.0	87.3
	100.0	96.2	92.6	94.2	93.3	100.0	96.7	88.5	96.7	96.9	99.1	94.4	87.8	87.5	97.4	95.2	94.1	95.2	100.0	94.8
	98.6	100.0	96.6	100.0	103.3	95.0	98.9	97.2	97.3	100.0	102.6	100.0	96.4	98.9	101.1	98.3	101.0	96.0	99.0	99.3
	99.7	99.7	97.0	100.0	100.0	100.0	95.5	97.4	100.0	97.5	95.2	104.7	95.7	100.5	100.0	97.1	105.8	104.8	97.3	99.9
	100.0	92.0	90.7	87.5	104.2	90.0	89.7	86.5	106.2	95.4	100.7	100.7	92.0	100.0	104.9	93.8	84.3	97.0	100.0	96.9
	97.7	101.7	100.0	112.1	105.8	92.1	97.0	100.0	105.0	98.5	95.3	91.3	122.4	96.4	91.1	85.7	109.5	108.8	101.7	100.1
	96.4	95.9	93.3	97.4	93.8	94.1	94.3	97.5	94.6	90.0	95.0	95.2	91.1	93.9	90.0	90.0	94.0	94.0	92.0	92.5
	95.3	98.4	97.2	99.1	100.0	97.6	98.9	98.8	97.6	100.0	96.6	100.0	97.9	100.0	100.0	100.0	100.0	98.3	98.8	99.2
	101.5	99.1	100.0	102.9	102.7	101.3	100.0	100.0	100.0	100.0	100.0	100.0	101.9	96.6	101.8	100.0	101.6	102.4	108.3	101.2
	96.2	98.1	100.4	93.3	100.0	97.0	97.0	94.3	91.9	97.2	96.1	94.7	95.2	96.5	93.3	97.7	100.0	90.0	93.2	95.4
	95.2	100.0	100.0	96.8	97.0	92.1	100.0	97.4	92.7	97.6	96.2	97.8	97.9	91.7	94.8	96.2	92.2	99.1	102.9	96.6
	90.3	93.4	93.8	93.0	93.0	94.7	96.2	100.8	100.0	92.1	97.6	100.3	97.0	93.5	100.0	100.0	96.4	95.8	100.0	97.3
	100.0	100.0	95.2	93.3	100.0	90.0	100.0	90.0	96.0	97.6	89.1	94.3	94.3	91.8	99.1	96.7	100.0	100.0	99.5	96.2
	100.0	98.7	99.2	92.9	91.7	109.8	91.3	99.0	89.4	89.7	109.6	†	88.2	108.3	100.0	97.2	91.5	87.5	95.9	96.4
	94.4	96.6	99.0	93.8	95.2	94.3	97.2	94.7	95.0	100.0	97.6	95.6	95.7	97.9	99.0	96.2	98.1	98.2	96.4	97.5
	102.4	102.3	92.1	103.3	83.3	100.0	104.0	100.7	98.0	99.7	104.9	96.5	97.7	100.0	102.9	101.1	110.3	100.9	100.0	101.4
	96.7	96.7	99.3	94.1	93.3	98.0	94.1	96.7	102.7	90.0	101.3	93.2	98.1	99.0	105.0	106.0	101.8	98.2	103.6	99.6
	101.9	108.9	96.6	97.9	93.6	101.5	94.3	97.5	95.6	95.0	95.2	97.0	95.8	100.0	105.5	94.0	99.0	100.0	104.2	98.6
	93.3	103.2	91.7	95.9	90.9	95.8	91.5	97.1	100.0	98.3	89.5	90.5	96.5	91.1	99.3	104.8	104.4	89.1	85.7	94.9
	96.6	99.7	97.5	96.3	†	†	94.6	102.2	99.7	100.0	102.4	97.8	105.6	100.0	†	102.0	98.2	94.3	106.7	100.8
	100.0	100.0	103.2	97.9	95.6	94.3	98.9	100.0	99.2	93.6	97.4	100.0	96.9	94.7	†	104.7	97.8	98.3	90.0	97.0
	91.7	95.0	96.8	92.3	92.8	94.4	94.6	95.5	97.4	97.5	95.2	93.3	95.7	94.0	96.0	96.2	90.9	93.9	94.5	94.7

Differences in median GSS for males and females appear to be related, at least in part, to differing gender enrolment profiles. Male graduates tend to be overrepresented in the fields of education with higher median starting salaries, while female graduates tend to be overrepresented in the fields of education with lower median starting salaries – see Table 3.

Male graduates within the top five fields of education by median starting salary constitute a relatively large proportion of all male graduates (22.9 per cent), compared with only 5.0 per cent of all female graduates. Most of this difference appears to be due to a considerable overrepresentation of male graduates in the field of engineering (19.6 per cent of all male graduates compared with only 3.2 per cent of all female graduates).

Table 3: Percentage of males and females by field of education, for bachelor degree graduates aged less than 25 and in first full-time employment, by median starting salary rankings, 2014^{a†}

	Salary rank in 2014	Males as % of total males	Females as % of total females	Field of education as % of total	Females as % for field of education
(1) higher ranked fields					
Dentistry	1	0.7	0.9	0.8	65.9
Optometry	2	0.2	0.3	0.3	69.0
Engineering	3	19.6	3.2	9.6	20.4
Earth Sciences	4	1.2	0.3	0.6	26.8
Mathematics	4	1.1	0.3	0.6	32.9
Sub-total (1)[†]		22.9	5.0	12.0	
Medicine	4	4.8	4.1	4.3	57.4
Education	7	4.2	13.2	9.7	83.1
Computer Science	8	7.3	0.9	3.4	16.5
Paramedical Studies	8	7.6	23.0	17.0	82.6
Physical Sciences	8	1.2	0.4	0.7	31.6
Social Work	8	0.3	1.5	1.0	90.2
Sub-total (2)[†]		25.3	43.0	36.1	
Higher ranked fields sub-total		48.2	48.1	48.1	
(2) lower ranked fields					
Law	12	2.6	2.7	2.7	62.5
Agricultural Science	13	0.9	0.9	0.9	60.0
Accounting	14	9.0	5.2	6.7	47.8
Economics, Business	14	20.0	16.1	17.6	55.9
Psychology	16	0.8	3.3	2.3	86.7
Social Sciences	17	0.6	1.2	1.0	75.0
Architecture & Building	18	4.9	1.9	3.1	37.7
Sub-total (3)[†]		38.7	31.3	34.2	
Biological Sciences	19	3.2	4.1	3.7	66.7
Veterinary Science	20	0.2	0.9	0.6	87.1
Humanities	21	5.8	10.2	8.5	73.3
Art & Design	22	1.9	2.9	2.6	70.6
Pharmacy	22	1.9	2.5	2.3	67.3
Sub-total (4)[†]		13.1	20.7	17.7	
Lower ranked fields sub-total		51.8	51.9	51.9	
TOTAL		100	100	100	

^a See [Appendix A: Explanatory notes \(Sections 2 and 12\)](#).

[†] Sub-totals may not add to 100.0 due to rounding.

The next six fields of education account for 25.3 per cent of all male graduates and 43.0 per cent of all female graduates, with education and paramedical studies (which includes nursing) both accounting for relatively high proportions of all female graduates (13.2 per cent and 23.0 per cent respectively). Computer science was the only one of these fields which saw a notably higher representation of males than females (7.3 per cent of all male graduates compared with 0.9 per cent of all female graduates). Overall, these higher ranked fields of education account for 48.2 per cent of all male graduates and 48.1 per cent of all female graduates.

The first seven of the lower-ranked fields of education account for 38.7 per cent of all male graduates and 31.3 per cent of all female graduates. This slight gender imbalance is largely due to an overrepresentation of male graduates within the fields of accounting (9.0 per cent of all male graduates compared with 5.2 per cent of all female graduates) and economics and business (20.0 per cent of all male graduates compared with 16.1 per cent of all female graduates).

The lowest ranked fields of education account for 13.1 per cent of all male graduates and 20.7 per cent of all female graduates. This gender imbalance favouring females is largely due to an overrepresentation of female graduates within the field of humanities (10.2 per cent of all female graduates compared with 5.8 per cent of all male graduates). Overall, these lower-ranked fields of education account for 51.8 per cent of all male graduates and 51.9 per cent of all female graduates.

The information presented above suggests that choice of degree (or field of education) may be a contributing factor to the difference in median starting salaries for male and female graduates. This in itself may be dependent on numerous factors, including perceived gender roles in relation to career and non-career commitments.

Another factor which may contribute to the difference in median starting salaries for male and female graduates is the average number of hours graduates spent working in a given week (see *supplementary Table M in Graduate Salaries 2014 Tables and Figures*). Of the 23 fields of education examined in this report, statistically significant differences in average working hours between males and females were observed in eight, with males working longer hours.

The largest significant difference in mean hours worked was observed for agricultural science graduates, where males worked an average of 4.1 hours more per week than their female counterparts, followed by:

- physical sciences (males worked an average of 3.2 hours more than females)
- architecture and building, and humanities (males worked an average of 2.8 hours more than females), and
- medicine (males worked an average of 2.4 hours more than females).

Examining graduates' hourly rate of pay, four fields of education reported statistically significant differences between males' and females' hourly rates (see *supplementary Table M in Graduate Salaries 2014 Tables and Figures*). The largest difference in hourly rate between males and females was observed in social sciences (males earned \$3.00 per hour more than females), followed by:

- social work (females earned \$1.90 more per hour), and
- engineering (females earned \$1.50 more).

An analysis undertaken by GCA in 2014⁴ suggests that much of the earnings gap between new male and female graduates was determined largely by field of education choices often made prior to university enrolment. The analysis suggested that when the field of education, personal, enrolment and occupational characteristics of male and female graduates were taken into account, overall males' starting salaries were 4.4 per cent higher than those for females. It highlighted the overall wage gap favouring males as being due, in part, to an over-representation of males in fields of education that typically had higher starting salaries, such as engineering. Alternatively, females outnumbered males when it came to humanities, which was ranked at the lower end of the salary distribution. The analysis suggests that the while some of the 4.4 per cent gender wage gap might potentially be explained by inequalities in some workplaces, it could also likely be explained if additional information not captured within the GDS was available.

4 See Lindsay, E., *An analysis of the gender wage gap in the Australian graduate labour market, 2013*, which can be downloaded from www.graduatecareers.com.au/Research/ResearchReports/ORAP

3.0

GRADUATE STARTING
SALARIES AND AVERAGE
WEEKLY EARNINGS

“As the salaries of higher education graduates grow over time, average weekly earnings for the population will increase accordingly.”

The annual rate of Male Average Weekly Earnings (MAWE) is used throughout this report as a population benchmark against which to compare movements in median graduate starting salaries (GSS)⁵.

In 2014, Australian bachelor degree graduates aged less than 25 and in their first full-time employment in Australia earned a median starting salary of \$52,500. This was 74.0 per cent of MAWE reported in 2014 (\$71,000 – ABS2014a – see Table 4) and the lowest figure observed since this series began⁶. This indicates that in 2014, GSS increased at a lower rate than MAWE.

From the mid-1970s through to the mid-1990s, median GSS declined steadily relative to MAWE. From the mid-1990s through to 2001, median GSS (relative to MAWE) experienced growth, peaking at 85.8 per cent in 2001 before declining to 79.7 per cent in 2006. From 2007, median GSS began to grow steadily, again relative to MAWE; a trend which persisted through to the 2009 figure of 83.0 per cent. In 2010, this figure declined to 79.8 per cent; declining further to 77.8 per cent in 2012, 74.6 in 2013 and 74.0 per cent in 2014.

In dollar terms, the 2014 median GSS of \$52,500 represents a 0.1 per cent increase relative to the 2013 median GSS of \$52,450. Over the same period, MAWE grew by 0.9 per cent (\$700), more than the increase in median GSS in both nominal and percentage terms.

When these figures are examined over time, the average annual increase in MAWE since 1977 has been 5.8 per cent, compared with an average annual increase in median GSS of 4.9 per cent. This indicates that, over the long term, the growth in median GSS has been lower than the growth in MAWE. This being said, it is important to note that average weekly earnings (for males and females) have been positively affected over time as the proportion of higher education graduates in the workforce increases. As the salaries of higher education graduates grow over time, average weekly earnings for the population will increase accordingly. It is also important to note that MAWE only represent approximately half of the working population. As the gender composition in higher education or in the workforce varies over time, fluctuation in the time series is to be expected.

⁵ See *Explanatory Notes* for a detailed discussion of the calculation and interpretation of MAWE figures

⁶ In 1977, GSS was identical to MAWE (\$9,600).

Table 4: Annual rate of male average weekly earnings (MAWE) and median starting salaries for all bachelor degree graduates aged less than 25 and in first full-time employment (GSS), 1977–2014 (\$, '000)^{a†}

	Annual rate of MAWE	Median GSS (All)	GSS (All) as % of MAWE
1977	9.6	9.6	100.0
1979	11.3	10.9	96.5
1980	12.5	11.8	94.4
1981	14.1	13.2	93.6
1982	16.5	14.9	90.3
1983	17.8	15.9	89.3
1984	19.6	17.2	87.8
1985	20.5	18.2	88.8
1986	22.1	19.8	89.6
1987	23.3	20.9	89.7
1988	24.9	23.0	92.4
1989	26.8	24.0	89.6
1990	28.7	24.9	86.8
1991	30.0	25.3	84.3
1992	31.1	25.7	82.6
1993	31.8	25.5	80.2
1994	32.5	26.0	80.0
1995	33.9	27.0	79.6
1996	34.8	28.0	80.5
1997	35.7	29.0	81.2
1998	37.2	30.0	80.6
1999	38.0	31.0	81.6
2000	39.2	33.0	84.2
2001	40.8	35.0	85.8
2002	42.9	35.5	82.7
2003	45.1	37.0	82.0
2004	46.6	38.0	81.6
2005	48.9	40.0	81.8
2006	51.2	40.8	79.7
2007	53.7	43.0	80.1
2008	55.6	45.0	80.9
2009	57.8	48.0	83.0
2010	61.4	49.0	79.8
2011	64.0	50.0	78.1
2012	66.8	52.0	77.8
2013	70.3	52.5	74.6
2014	71.0	52.5	74.0

^a See [Appendix A: Explanatory notes \(Sections 3 and 9\)](#).

[†] Data from 1978 are incompatible with those from other years and have been excluded from the series.

GSS and Average Weekly Earnings by sex

Examining median starting salaries for males and females as a percentage of MAWE illustrates that the 2014 figure for females (73.3 per cent of the MAWE) represents a 0.1 percentage point decrease from 2013 (73.4 per cent) and the 2014 figure for males (77.5 per cent of MAWE) represents a 0.7 percentage point decrease from 2013 (78.2 per cent) (see [supplementary Table B in Graduate Salaries 2014 Tables and Figures](#)).

The median starting salary for females as a percentage of Female Average Weekly Earnings (FAWE) was equal to 113.5 per cent (see Figure 1). This ratio has witnessed a decline since 2008 suggesting that the gap between the average salary earned by the female population and the starting salaries earned by female graduates is decreasing.

The median starting salary for males as a percentage of Male Average Weekly Earnings (MAWE) was equal to 77.5 per cent.

Examining the actual GSS against sex specific AWE over the past decade (see [supplementary Figure C in Graduate Salaries 2014 Tables and Figures](#)) reveals a consistent trend that while the median GSS for male graduates aged less than 25 and in their first full-time employment are considerably lower than the average earnings of employed males in the wider Australian population, the situation is reversed for female graduates with the median GSS for those aged less than 25 and in their first full-time employment, considerably higher than the average earnings of employed females in the wider Australian population.

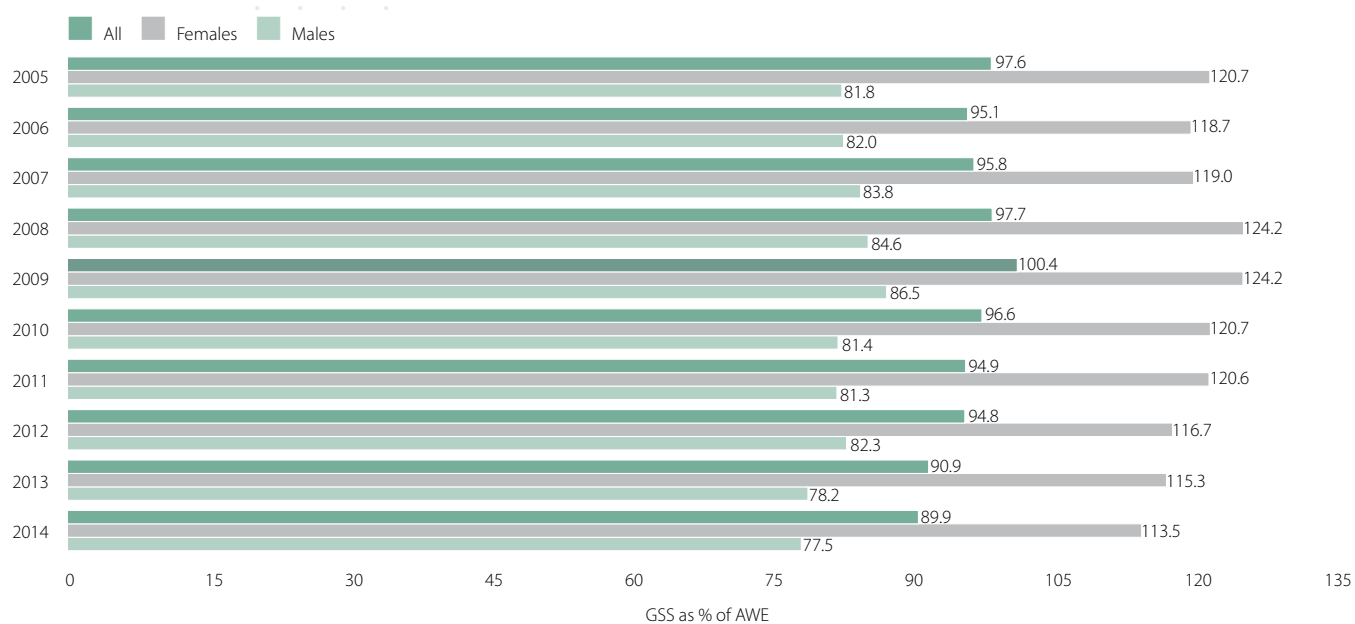


Figure 1: Median starting salary for bachelor degree graduates aged less than 25 and in first full-time employment (GSS) as a percentage of average weekly earnings (AWE) by sex, 2005–2014

4.0

IMPACT OF AGE AND
EMPLOYMENT EXPERIENCE ON
GRADUATE STARTING SALARIES

Older graduates (i.e. aged 25 and over) can be seen to be a different, much less homogenous cohort than those graduates aged less than 25 who went directly from secondary school to higher education with little or no previous full-time employment experience.

Older graduates may be returning to study in order to gain qualifications that will allow them to advance within their current employment, or they may be returning to study with the intention of changing to a different job or a different career path altogether. Additionally, graduates aged 25 years and over and in their first full-time employment are likely to have been previously engaged in part-time or casual employment.

Employment experience and salaries of older graduates

Median salaries for graduates aged 25 and over with previous full-time employment experience are typically higher than those for graduates aged less than 25 and in their first full-time employment (see Table 5). However, a direct comparison of salary levels between older graduates with previous full-time employment experience and younger graduates in their first full-time employment is confounded by the fact that it is unclear whether age or previous full-time employment experience is responsible for higher salary levels. Table 5 subsequently includes a third group – those graduates aged 25 and over and in their first full time employment.

“...graduates aged 25 years and over and in their first full-time employment are likely to have been previously engaged in part-time or casual employment.”

Table 5: Summary of median salaries for bachelor degree graduates aged less than 25, and 25 and over, in first full-time employment and with previous full-time employment experience, 2005–2014 (\$, ‘000)^a

	Aged 25 and over with previous full-time employment			Aged 25 and over in first full-time employment			Aged less than 25 and in first full-time employment		
	Male	Female	All	Male	Female	All	Male	Female	All
2005	45.5	42.0	43.0	43.0	40.1	42.0	40.0	39.0	40.0
2006	47.6	43.0	45.0	45.0	43.0	43.5	42.0	40.0	40.8
2007	50.0	45.0	46.4	46.0	43.0	45.0	45.0	42.0	43.0
2008	51.0	47.5	50.0	50.0	46.0	48.0	47.0	45.0	45.0
2009	55.0	50.0	52.0	52.0	48.8	50.0	50.0	47.0	48.0
2010	58.0	52.0	54.0	53.0	50.0	52.0	50.0	48.0	49.0
2011	60.0	54.0	56.0	55.0	52.0	53.0	52.0	50.0	50.0
2012	60.0	55.0	57.0	57.0	53.0	55.0	55.0	50.0	52.0
2013	60.0	56.0	58.0	60.0	55.0	57.0	55.0	51.6	52.5
2014	62.0	58.0	60.0	60.0	55.0	57.0	55.0	51.6	52.5

^a See [Appendix A: Explanatory notes \(Section 2\)](#).

Among older graduates, those with previous work experience reported a marginally higher median salary than those without any previous full-time work experience (\$60,000 compared with \$57,000).

As shown in Table 5:

- The median salary of older graduates (25 and over) with previous full-time work experience was \$3,000 (or 5.3 per cent) more than graduates in the same age range in their first full-time employment.
- In 2014, male graduates aged 25 and over with previous full-time work experience earned \$2,000 more than male graduates in the same age range in their first full-time employment.
- Female graduates aged 25 and over with prior full-time work experience earned \$3,000 (or 5.5 per cent) more than their equivalent cohort with no prior work experience.

The majority of bachelor degree graduates aged 25 and over who were in full-time employment at the time of the GDS had some previous full-time employment experience behind them at the time of the survey (see [supplementary Table D in Graduate Salaries 2014 Tables and Figures](#)).

In 2014:

- 72.2 per cent of full-time employed graduates aged 25 and over were not in their first full-time employment.
- Female graduates aged 25 and over were more likely than their male counterparts to have previous full-time employment experience (73.7 per cent and 70.2 per cent respectively – see [supplementary Table E in Graduate Salaries 2014 Tables and Figures](#)).

When comparing median salaries of graduates aged 25 years and over by field of education, statistical significant differences based on their level of full-time work experience were observed in 12 of the 23 fields of education, the majority of which revealed a pay advantage for graduates who had some previous full-time employment (see [supplementary Table D in Graduate Salaries 2014 Tables and Figures](#)).

The largest statistically significant difference was observed among economics and business graduates where those who had a previous full-time position earned a median starting salary \$9,000 higher than those without previous experience, followed by:

- psychology (\$8,700)
- accounting, engineering, humanities and law (\$7,000), and
- computer science (\$6,000).

While these salary figures alone are not sufficient to confirm a definite salary advantage for graduates with full-time employment, they do suggest that previous full-time employment is associated with higher median salaries for graduates from certain fields of education. It should also be noted that graduate salaries are likely to be influenced by a range of factors additional to previous employment (including, for example, the graduate's skills and abilities, the level of responsibility inherent in the role and fixed pay grades for particular roles within certain organisations) and that previous full-time experience in a field not directly relevant to their current employment may not provide graduates with a pay advantage relative to those graduates with no full-time employment experience.

When examining the median salaries of graduates aged 25 and over and with previous full-time employment by sex and field of education (see [supplementary Table E in Graduate Salaries 2014 Tables and Figures](#)), statistically significant sex differences were observed in nine out of the total 23 field of education, all of which revealed a male pay advantage.

Among older graduates overall (see [supplementary Table E in Graduate Salaries 2014 Tables and Figures](#)), males with previous full-time work experience reported a \$4,000 pay advantage over females with previous full-time work experience and males without any work experience reported a \$5,000 pay advantage over females without any previous full-time work experience.

Age and starting salaries

By comparing the median starting salaries of bachelor degree graduates aged less than 25 and in their first full-time employment with those bachelor degree graduates aged 25 and over and also in their first full-time employment, any potential labour market advantage gained from prior full-time work experience is largely negated. This permits any differences in median GSS to be investigated in relation to the age group of the graduate. It should be noted that the cohort of graduates aged 25 and over and with no previous full-time experience is relatively small ($n = 2,864$) when compared to graduates under 25 in first full time job ($n = 10,933$), which limits the number of field of education comparisons that can be made.

On average, it appears that older graduates do tend to earn higher median starting salaries than their younger counterparts, with graduates aged 25 and over and in their first full-time employment earning a median starting salary \$4,500 higher than their younger counterparts (see [supplementary Table E in Graduate Salaries 2014 Tables and Figures](#)). This suggests that having no previous full-time employment but simply being older can have a positive impact on median starting salaries for graduates. Graduates aged less than 25 who commenced their higher education immediately after completing secondary school may not have had the life experience, both professionally and personally, that older graduates possess. Moreover,

graduates who returned to study at an older age may be more outcomes-focused than their younger counterparts. Factors such as these are not easily quantifiable; however they may contribute to some older graduates securing higher median starting salaries.

Similar findings were observed in a longitudinal study of higher education graduates in the United Kingdom (Purcell, Wilton & Elias 2003), with graduates aged less than 25 typically earning less in their first full-time job after graduation than their older counterparts. When these same graduates were re-surveyed seven years later the situation was reversed: the cohort of 'younger' graduates was earning more than their older counterparts. This suggests that, while older graduates tend to earn a higher median starting salary, it does not necessarily guarantee that they will maintain this salary advantage throughout their careers. Later earnings would likely be affected by their job performance, professional development, long-term career choices and a range of other factors outside the scope of the GDS.

“On average, it appears that older graduates do tend to earn higher median starting salaries than their younger counterparts...”

5.0

SALARIES BY LOCATION

“Graduates employed in the Northern Territory earned the highest median starting salary in 2014 (\$59,000).”

In 2014, median starting salaries for bachelor degree graduates aged less than 25 and in their first full-time employment varied by up to \$9,000 depending on the Australian State or Territory in which their employment was based (see Table 6).

Graduates employed in the Northern Territory earned the highest median starting salary in 2014 (\$59,000). This was followed by Western Australia (\$58,000) and the Australian Capital Territory (\$56,000). Graduates employed in these three states were also the top earning in 2013, albeit in a slightly different order (WA was ranked number one in 2013). Graduates employed in Victoria earned the lowest median starting salary (\$50,000) in 2014.

Differences in median GSS between States and Territories may be attributable to a range of factors, including economic forces. For example, the Victorian graduate workforce is composed of a relatively higher proportion of economics and business graduates (ranked 18th in terms of starting salary – see Table 3).

The availability and demand of courses in particular geographic locations can also impact on starting salaries. For instance, the typically higher-paying fields of medicine and dentistry are not offered by higher education institutions in every State and Territory. This is further exacerbated by the notable difference in the movement of graduates from the location of their study to the location of their employment (see *supplementary Table F in Graduate Salaries 2014 Tables and Figures*). For bachelor degree graduates aged less than 25 and in their first full-time employment, the percentage in full-time employment in their State or Territory of study in 2014 was lowest for the Northern Territory (57.9 per cent). The percentage of these graduates in full-time employment in their State or Territory of study was highest for Victoria (89.4 per cent) followed by Western Australia (86.3 per cent), Queensland (84.6 per cent) and New South Wales (81.9 per cent).

Table 6: Median starting salaries for bachelor degree graduates aged less than 25 and in first full-time employment by State or Territory of employment, and comparison of all graduates to the average weekly earnings (AWE) for that State or Territory, 2014 (\$, '000)^a

	Male			Female			All			Sig. [sex]
	GSS Median Salary	AWE (State)	GSS as % of AWE	GSS Median Salary	AWE (State)	GSS as % of AWE	GSS Median Salary	AWE (State)	GSS as % of AWE	
NSW	55.0	69.2	79.4	51.0	47.1	108.3	52.0	58.2	89.4	**
Vic.	52.0	66.2	78.6	50.0	43.8	114.1	50.0	55.0	91.0	**
Qld	54.0	71.5	75.6	50.6	43.9	115.1	52.0	57.2	90.9	**
SA	54.0	68.3	79.1	54.0	44.5	121.4	54.0	56.6	95.4	*
WA	60.0	85.4	70.2	56.0	48.5	115.4	58.0	68.3	84.9	**
Tas.	55.0	57.6	95.5	52.0	39.5	131.8	52.9	48.3	109.5	
NT	62.6	73.4	85.3	57.2	52.0	109.9	59.0	62.3	94.7	*
ACT	57.3	78.3	73.1	56.0	59.6	94.0	56.0	68.4	81.8	
TOTAL	55.0	71.0	77.5	52.0	45.8	113.5	52.5	58.4	89.9	

^a See [Appendix A: Explanatory notes](#).

* = difference statistically significant at 5 per cent level; ** = difference statistically significant at 1 per cent level

Statistically significant differences in starting salaries between males and females were observed in six States and Territories (the exceptions were Tasmania and the Australian Capital Territory), all revealing a male pay advantage except for South Australia (see Table 6). The largest significant difference was observed between male and female graduates employed in the Northern Territory, where males earned a median starting salary \$5,400 greater than females followed by Western Australia and New South Wales (both \$4,000) and Queensland (\$3,400). The salary discrepancy between males and females was lowest in the South Australia, with male and female graduates earning an equivalent wage of \$54,000.

Differences in median GSS between States and Territories do not necessarily reflect differences in average earnings within the wider population for each State and Territory. A clearer picture of GSS in the economic and demographic context of each State and Territory can be obtained by examining median GSS as a percentage of AWE.

Table 6 also compares median GSS to the annual rate of average weekly earnings (AWE) for males and females individually. These figures should be interpreted with a degree of caution because the composition of the labour force may make some median GSS figures seem overly positive in comparison (see [Graduate Salaries 2014 Explanatory notes](#)).

In 2014, male graduates earned median starting salaries between 70.2 per cent (in Western Australia) and 95.5 per cent (in Tasmania) of MAWE. Median starting salaries for female graduates, on the other hand, exceeded FAWE in every State and Territory with the exception of the Australian Capital Territory. Female graduates in Tasmania earned the highest median starting salary relative to FAWE (131.8 per cent) followed by South Australia (121.4 per cent) while female graduates in the Australian Capital Territory earned the lowest starting salary relative to FAWE (94.0 per cent), as has also been the case in recent years.

When starting salaries for all bachelor degree graduates aged less than 25 and in their first full-time employment are compared to AWE for all persons in their State or Territory of employment, relative graduate earnings range from 81.8 per cent of AWE in the Australian Capital Territory to 109.5 per cent of AWE in Tasmania.

Median starting salaries of graduates employed in regional areas (those outside capital cities) in 2014 were again higher than those for their counterparts employed in capital cities (\$55,000 compared with \$52,000 – see [supplementary Table G in Graduate Salaries 2014 Tables and Figures](#)). Female graduates employed in regional areas earned a median starting salary \$3,000 more than female graduates employed in capital cities (\$54,000 compared with \$51,000), while male graduates employed in regional areas earned the same as their capital city counterparts (\$55,000).

When examined by field of education, statistically significant differences in salary based on whether graduates were employed in capital cities or regional areas were observed in eight of the 23 fields of education under examination, with four favouring capital cities, and four favouring regional areas. The largest absolute difference of \$10,000 was reported among earth science graduates in favour of graduates employed in regional cities. This was followed by law graduates with a difference of \$8,300 in favour of graduates employed in capital cities.

When examined over time (see Table 7), it can be seen that the greatest difference in median starting salaries between capital cities and regional areas in the past decade has been observed in 2014, as the median capital city GSS has fallen to 94.5 per cent of median regional area GSS. The second lowest value in this series was observed in 2006 (95.2 per cent), followed by 96.2 per cent in 2011 and 96.3 per cent in 2013. The value of a median capital city GSS only exceeded the value of a median regional area GSS once in this 14-year period (in 2001, with a value of 100.9 per cent).

The situation is different, however, when examined by sex. For the past 14 years, the median starting salary for female graduates employed in regional areas has consistently exceeded the median starting salary for female graduates employed in capital cities with relative values of a median capital city GSS ranging from 94.4 per cent of a median regional area GSS in 2014 to 97.8 per cent in 2008. In 2014, both the capital and regional graduate starting salaries for female graduates increased by \$1,000 from 2013.

The median starting salary for male graduates employed in regional areas has only exceeded the median starting salary for male graduates employed in capital cities for five years out of the last 14 (in 2004, 2005, 2011, 2012 and again in 2013). In 2014, the capital city GSS for male graduates was equal to the regional GSS.

When comparing GSS between capital cities and regional areas, it is worth noting that a number of factors can affect the overall figures. For example, the majority of corporate and government department head offices are located in capital cities (particularly Sydney, Melbourne and Canberra), and this can act to boost capital city earnings.

On the other hand, graduates from certain fields may be paid a salary loading to work in more remote areas, and this might contribute to the relatively high median starting salaries earned by graduates employed in Western Australia and the Northern Territory and for the higher overall median starting salary earned by graduates employed in regional areas.

“...the greatest difference in median starting salaries between capital cities and regional areas in the past decade has been observed in 2014...”

Table 7: Median starting salaries of bachelor degree graduates in first full-time employment and aged less than 25, by capital city / regional area, 2001–2014 (\$, '000)^a

	Males				Females				All			
	Capital City	Regional	Total	Capital as % of regional	Capital City	Regional	Total	Capital as % of regional	Capital City	Regional	Total	Capital as % of regional
2001	36.0	35.0	36.0	102.9	33.6	34.5	34.0	97.4	35.0	34.7	35.0	100.9
2002	37.0	37.0	37.0	100.1	35.0	36.0	35.0	97.2	35.4	36.0	35.5	98.2
2003	38.0	38.0	38.0	100.0	36.0	37.0	36.3	97.3	36.5	37.6	37.0	97.2
2004	39.0	39.5	39.0	98.7	37.0	38.9	38.0	95.2	38.0	39.0	38.0	97.4
2005	40.0	40.1	40.0	99.6	38.5	40.0	39.0	96.3	39.5	40.0	40.0	98.8
2006	42.0	42.0	42.0	100.0	40.0	42.0	40.0	95.2	40.0	42.0	40.8	95.2
2007	45.0	45.0	45.0	100.0	42.0	43.0	42.0	97.7	43.0	43.5	43.0	98.9
2008	47.1	47.0	47.0	100.3	45.0	46.0	45.0	97.8	45.0	46.0	45.0	97.8
2009	50.0	50.0	50.0	100.0	46.0	48.0	47.0	95.8	47.5	48.0	48.0	99.0
2010	50.0	50.0	50.0	100.0	48.0	50.0	48.0	96.0	48.8	50.0	49.0	97.7
2011	52.0	54.0	52.0	96.3	49.3	51.0	50.0	96.7	50.0	52.0	50.0	96.2
2012	54.0	57.0	55.0	94.7	50.0	52.0	50.0	96.2	52.0	53.0	52.0	98.1
2013	55.0	56.0	55.0	98.2	50.0	53.0	51.6	94.3	52.0	54.0	52.5	96.3
2014	55.0	55.0	55.0	100.0	51.0	54.0	52.0	94.4	52.0	55.0	52.5	94.5

^a See [Appendix A: Explanatory notes \(Section 2\)](#).

6.0

SALARY RANKINGS

“The top-ranked fields of dentistry, optometry, engineering and medicine have consistently been ranked highly since 1977...”

Ranking fields of education by median graduate starting salary (GSS) provides a useful basis for comparing salary data, both in the current year and over the long term. Table 8 ranks fields of education from highest to lowest (1 to 23) according to its median GSS (see *supplementary Table H in Graduate Salaries 2014 Tables and Figures* for similar rankings for the period 1977–2014).

The majority of the fields of education under examination have shown a high level of stability in rankings over the past three decades. The top-ranked fields of dentistry, optometry, engineering and medicine have consistently been ranked highly since 1977, while the lower-ranked fields of art and design, and pharmacy have also maintained consistent rankings over the years (see *supplementary Table H in Graduate Salaries 2014 Tables and Figures*).

Table 8: Fields of education ranked according to median starting salary for bachelor degree graduates aged less than 25 in first full-time employment, 2014^a

2014 Rank	Field of Education	Median salary in 2014 (\$,'000)	No. of graduates in 2014	Rank in 2013
1	Dentistry	75.0	91	1
2	Optometry	70.0	29	2
3	Engineering	62.0	1,048	3
4	Earth Sciences	60.0	71	4
4	Mathematics	60.0	70	7
4	Medicine	60.0	474	4
7	Education	59.0	1,062	6
8	Computer Science	55.0	370	11
8	Paramedical Studies	55.0	1,857	10
8	Physical Sciences	55.0	76	7
8	Social Work	55.0	112	12
12	Law	53.0	291	7
13	Agricultural Science	51.0	95	12
14	Accounting	50.0	730	12
14	Economics, Business	50.0	1,923	18
16	Psychology	49.9	255	12
17	Social Sciences	49.0	108	12
18	Architecture & Building	48.8	334	17
19	Biological Sciences	48.0	408	19
20	Veterinary Science	46.3	70	20
21	Humanities	46.0	929	21
22	Art & Design	40.0	279	22
22	Pharmacy	40.0	251	23

^a See [Appendix A: Explanatory notes \(Sections 2 and 12\)](#).

Examining the rankings for 2014, the fields of economics and business, and social work saw the biggest positive change, with economics and business moving from 18th in 2013 to 14th in 2014 and social work moving from 12th in 2013 to 8th in 2014. This was followed by mathematics and computer science, with mathematics moving from 7th in 2013 to 4th in 2014 and computer science moving from 11th in 2013 to 8th in 2014.

Law and social sciences showed the largest negative shifts, with law moving from 7th in 2013 to 12th in 2014 and social sciences moving from 12th in 2013 to 17th in 2014.

The difference in median GSS between the highest-ranked field for 2014 (dentistry at \$75,000) and the lowest-ranked fields (both art and design and pharmacy at \$40,000) was \$35,000, lower than the difference observed in 2013 (\$41,000), but considerably higher than the difference observed in 2000 (\$25,000).

The difference in median GSS in the upper half of the fields was \$20,000, between top-ranked dentistry (\$75,000) and equal eighth ranked computer science, paramedical studies, physical sciences and social work (\$55,000 – see Table 8).

This is considerably larger than the difference in median GSS for the remaining lower-ranked fields (\$13,000) between law (ranked 12th at \$53,000) and equal bottom-ranked art and design, and pharmacy (\$40,000).

It should be noted that median salary rankings, while useful, can also be somewhat misleading. Graduate salary data collected via the GDS can potentially include both overtime and above-award payments. This means that while median salary levels as reported do accurately reflect real graduate earnings at the time of the survey, they do not necessarily reflect award wage levels (where these may be in place).

When fields of education are ranked according to median hourly rate (calculated by dividing reported earnings by reported working hours), we see that the top three ranked fields in terms of GSS also had had the highest average hourly rate (see Table 9).

Table 9: Fields of education ranked according to calculated hourly rate for bachelor degree graduates aged less than 25 and in first full-time employment, 2014^a

2014 rank by hourly rate (2013 rank)		Mean hours	Hourly rate (\$)	Median GSS (\$, '000)	Rank by median GSS
1(1)	Dentistry	38	38.0	75.0	1
2(2)	Optometry	38	35.4	70.0	2
3(3)	Engineering	42	28.8	62.0	3
3(4)	Earth Sciences	40	28.8	60.0	4
5(5)	Education	39	28.4	59.0	7
6(6)	Medicine	37	27.8	60.0	4
6(7)	Mathematics	45	27.8	60.0	4
8(7)	Paramedical Studies	40	26.7	55.0	8
8(7)	Computer Science	39	26.7	55.0	8
10(10)	Law	39	26.5	53.0	12
11(11)	Social Work	42	25.4	55.0	8
12(12)	Psychology	45	25.0	49.9	16
13(13)	Physical Sciences	39	24.0	55.0	8
13(14)	Biological Sciences	39	24.0	48.0	19
13(14)	Accounting	39	24.0	50.0	14
16(16)	Social Sciences	40	23.6	49.0	17
17(17)	Economics, Business	43	23.4	50.0	14
18(18)	Agricultural Science	39	23.1	51.0	13
19(19)	Architecture & Building	40	22.8	48.8	18
20(20)	Humanities	41	22.2	46.0	21
21(21)	Veterinary Science	43	21.6	46.3	20
22(22)	Art & Design	38	20.2	40.0	22
23(23)	Pharmacy	39	19.7	40.0	22
MALE		41	25.6		
FEMALE		39	25.3		
Total		40	25.3		

^a See 'Appendix A': Explanatory notes (Sections 2 and 12).

Examining Table 9 further, some notable differences between the respective rankings by median GSS and hourly rate are evident.

- While biological sciences ranked 19th in terms of GSS (\$48,000, in Table 8), they ranked 13th in terms of hourly rate (\$24.00 an hour, in Table 9) – six positions higher.
- Similar results were seen for psychology graduates (four positions higher).
- Physical sciences and agricultural science graduates each ranked five positions lower by hourly rate than by GSS, moving from 8th to 13th and 13th to 18th respectively.

Mathematics and psychology graduates represented the highest average number of hours worked for any field of education in 2014; working at an average of 45 hours per week.

The average reported number of hours worked by graduates has remained stable over the past 20 years, with average working hours per week fluctuating between 40 and 41 since 1991 (GCA 2004–05; GCA 2006–12; GCCA 1989–93; GCCA 1994–2003).

7.0

SALARY GROWTH

By showing the median GSS in 2014 as a percentage of the median GSS in 1977 and MAWE in 2014 as a percentage of MAWE in 1977, the growth in median GSS can be measured over time against a common benchmark⁷. (It is important to note that this analysis does not address the impact of consumer price inflation on salary levels and is based solely on nominal growth in median GSS and MAWE over time).

In 2014, the median GSS was equivalent to 546.9 per cent of the median GSS in 1977, while MAWE in 2014 was equivalent to 739.2 per cent of MAWE in 1977 (see Table 10).

Table 10: Growth in male average weekly earnings (MAWE) relative to 1977 MAWE, growth in median starting salaries for bachelor degree graduates aged less than 25 and in first full-time employment (GSS) relative to 1977 GSS, 1977–2014 (%)^{a†}

	MAWE as % of 1977 MAWE	GSS as % of 1977 GSS	Difference (percentage points)
1977	100.0	100.0	0.0
1979	117.7	113.5	4.2
1980	130.2	122.9	7.3
1981	146.9	137.5	9.4
1982	171.9	155.2	16.7
1983	185.4	165.6	19.8
1984	204.2	179.2	25.0
1985	213.5	189.6	23.9
1986	230.2	206.3	23.9
1987	242.7	217.7	25.0
1988	259.4	239.6	19.8
1989	279.2	250.0	29.2
1990	299.0	259.4	39.6
1991	312.5	263.5	49.0
1992	324.0	267.7	56.3
1993	331.3	265.6	65.7
1994	338.5	270.8	67.7
1995	353.1	281.3	71.8
1996	362.5	291.7	70.8
1997	372.9	302.1	70.8
1998	387.5	312.5	75.0
1999	395.8	322.9	72.9
2000	408.3	343.8	64.5
2001	425.0	364.6	60.4
2002	446.0	369.8	76.2
2003	469.8	385.4	84.4
2004	485.4	395.8	89.6
2005	509.4	416.7	92.7
2006	533.3	425.0	108.3
2007	559.4	447.9	111.5
2008	579.2	468.8	110.4
2009	601.9	500.0	101.9
2010	639.7	510.4	129.3
2011	666.4	520.8	145.6
2012	696.0	541.7	154.3
2013	732.5	546.4	186.1
2014	739.2	546.9	192.3

^a See [Appendix A: Explanatory notes \(Sections 2, 3 and 9\)](#).

[†] Data from 1978 are incompatible with those from other years and have been excluded from the series.

7 Median GSS and MAWE for 1977 are represented as 100.0 per cent in each respective growth index.

Since 1977, MAWE has grown at a greater rate than the median GSS, with the difference between the two increasing over time. In 2014, there was a difference of 192.3 percentage points between the GSS and MAWE growth indices; the highest gap recorded since the beginning of this series.

Examining field of education differences (see [supplementary Table J in Graduate Salaries 2014 Tables and Figures](#)), we see:

- the median starting salary for law graduates in 2014 was equivalent 929.8 per cent of the median starting salary for law graduates in 1977, compared with an average of 546.9 per cent across all fields of education, and
- the law median GSS continued to exhibit growth that exceeded that of MAWE – as has been the case for the thirty-seven year period of this table.

Looking at the average GSS growth since 1977, fields of education that exhibit above average growth in 2014 were:

- mathematics (631.6 per cent)
- earth sciences (618.6 per cent)
- engineering (613.9 per cent)
- education (590.0 per cent)
- physical sciences (585.1 per cent), and
- accounting (574.7 per cent).

Overall, medicine graduates have experienced the lowest growth in their median starting salary between 1977 and 2014, with a median GSS in 2014 equivalent to 451.1 per cent of that in 1977.

The fields of paramedical studies, optometry and art and design were disaggregated for reporting purposes for the first time in 1988. GSS growth indices covering the period 1988–2014 for these fields of education are presented in [supplementary Table K in Graduate Salaries 2014 Tables and Figures](#).

Examining the median starting salary growth indices covered by the period 1988–2014, we see:

- optometry (266.2 per cent) and paramedical studies (237.1 per cent) were the two fields of education where the growth exceeded the average growth (228.3 per cent) since 1988, and
- the growth for art and design graduates (187.8 per cent) has not exceeded the average growth since 1988 (228.3 per cent).

Briefly looking at employment sectors, the highest growth in 2014 median GSS relative to 1977 median GSS (see [supplementary Table J in Graduate Salaries 2014 Tables and Figures](#)) was for:

- law graduates in the professional private practice sector (935.2 per cent), followed by, and
- humanities graduates (704.2 per cent) also in the professional private practice sector.

Relative to 1977, graduates employed in the professional private practice sector have experienced the highest level of growth in their median starting salary (634.1 per cent – [supplementary Table J in Graduate Salaries 2014 Tables and Figures](#)). Conversely, graduates employed in the industry/commerce sector have experienced the least growth (531.9 per cent).

8.0

SALARIES PAID TO
POSTGRADUATES

An examination of salaries paid to postgraduates is not as straightforward as an examination of salaries paid to younger bachelor degree graduates in their first fulltime jobs. Postgraduates may have returned to study at any stage of their careers, so their salaries cannot be analysed in a simple ‘first full-time employment’ manner⁸.

As shown in Table 11, of postgraduates who were in full-time employment at the time of the 2014 AGS:

- postgraduate diploma/ certificate graduates earned a median salary of \$75,000
- masters by coursework graduates earned a median salary of \$80,000
- graduates that completed a masters degree by research earned a median salary of \$80,000, and
- PhD graduates also earned a median salary of \$80,000.

Statistically significant salary differences based on postgraduate level of award were observed in 15 of the 23 fields of education under examination which contained a sufficient number of responses to allow comparisons to be made.

- The largest statistically significant difference was observed for veterinary science graduates, with \$36,500 separating the median salaries of masters by coursework graduates (\$53,500) and PhD graduates (\$90,000).
- Large differences between postgraduate levels were also observed for:
 - pharmacy (\$35,000)
 - architecture and building (\$34,000)
 - law (\$33,000)
 - accounting and education (\$29,000).

The smallest statistically significant difference was observed for humanities graduates with \$5,000 separating the median salaries of masters by coursework and masters by research graduates (\$75,000) and postgraduate diploma/ certificate and PhD graduates (\$80,000).

Examining growth in median starting salaries since 1994 by level of postgraduate award, we see the highest growth for postgraduate diploma/certificate graduates with a growth of 108.3 per cent (see [supplementary Table N in Graduate Salaries 2014 Tables and Figures](#)).

“...we see the highest growth for postgraduate diploma/certificate graduates with a growth of 108.3 per cent...”

⁸ A more detailed examination of postgraduate salaries is presented in the report *Postgraduate Destinations 2014 (GCA 2015c)*

Table 11: Median salaries for postgraduates in full-time employment by level of award and field of education, 2014 (\$, '000)^{†‡§}

Field of Study	† Postgraduate Diploma/ Certificate		Masters Coursework		Masters Research		PhD		Sig.
	\$	N	\$	N	\$	N	\$	N	
Accounting	70.0	151	63.5	373	†	†	92.5	15	**
Agricultural Science	77.3	74	75.0	112	†	†	78.5	41	
Architecture & Building	80.0	69	52.0	428	†	†	86.0	19	**
Art & Design	63.0	71	60.3	127	60.0	22	86.0	49	**
Biological Sciences	78.0	196	70.0	262	77.0	22	74.3	235	*
Computer Science	80.0	161	85.0	374	80.0	10	85.0	59	
Dentistry	100.0	54	†	†	†	†	125.0	15	
Earth Sciences	82.0	54	74.5	42	†	†	82.0	16	
Economics, Business	92.0	1,556	98.0	3,220	†	†	93.0	103	**
Education	61.0	1,840	73.0	1,342	85.0	22	90.0	98	**
Engineering	102.0	369	95.0	606	82.0	29	80.0	184	**
Humanities	80.0	895	75.0	1,234	75.0	31	80.0	214	*
Law	65.0	490	80.0	671	†	†	98.0	24	**
Mathematics	94.0	79	80.0	58	†	†	80.0	23	
Medicine	75.0	120	80.0	122	100.0	18	85.0	101	**
Optometry	100.0	26	82.0	31	†	†	†	†	**
Paramedical Studies	76.0	1,975	75.0	2,059	80.0	20	86.0	213	**
Pharmacy	70.0	77	40.0	127	†	†	75.0	16	**
Physical Sciences	70.0	45	77.5	24	86.0	10	74.0	100	
Psychology	72.5	243	72.0	267	†	†	78.0	160	
Social Sciences	80.0	139	68.5	123	†	†	80.0	23	
Social Work	77.0	134	61.9	282	†	†	†	†	**
Veterinary Science	†	†	53.5	34	†	†	90.0	11	*
Male	85.0	3,522	88.0	5,459	88.5	115	81.0	850	
Female	70.0	5,297	72.0	6,465	79.1	109	80.0	880	
Total	75.0	8,823	80.0	11,925	80.0	224	80.0	1,730	

[‡] See 'Appendix A: Explanatory notes (Sections 2, 5 and 12).

[†] Blank cells contain no, or fewer than 10 respondents.

[§] Some figures in this table are based on small response numbers and consequently are subject to notable fluctuation.

[†] The heading 'Postgraduate Diploma/Certificate' includes graduate certificates and graduate/postgraduate diplomas.

* = difference statistically significant at 5 per cent level; ** = difference statistically significant at 1 per cent level

Highlighting the different stages or places that postgraduates can be in their careers, Table 11 illustrates that postgraduate diploma/ certificate graduates from some fields of education earned a higher median starting salary than masters by coursework graduates from the same field.

This was particularly noticeable for graduates from the fields of:

- pharmacy (\$30,000 difference)
- architecture and building (\$28,000)
- optometry (\$18,000), and
- social work (\$15,100).

These salary differences may be attributable, at least in part, to the nature of the particular courses offered at each level of award within particular higher education institutions, as well as differences between the individual graduates themselves (e.g. previous employment and educational history, career goals and ambitions). Moreover, while postgraduate diploma/ certificate graduates from these fields of education earned higher median salaries than their masters by coursework counterparts in 2014, these salary figures tend to fluctuate over the years and are by no means typical for each of these fields of education.

As observed in previous years, male postgraduates earned a higher median salary than female postgraduates at all levels of award (see Table 11). Further:

- The female median salary was lowest relative to the male median salary at the masters coursework award level, where female graduates earned a median salary equivalent to 81.8 per cent of the median salary earned by male graduates (or \$16,000 lower in nominal terms), followed by postgraduate diploma/ certificate award graduates at 82.4 per cent (or \$15,000).
- Conversely, the greatest parity between sexes is evident at the PhD award level, with a median female salary equivalent to 98.8 per cent that of male graduates (or \$1,000 lower in nominal terms). In relative terms, PhD graduates have experienced the greatest sex parity in median salaries earned by postgraduates since 2007.

While it may be expected that PhD graduates would be earning more than masters coursework graduates, in fact the opposite is true. The differing study, career and employment profiles of postgraduates at different award levels may help to explain this apparent anomaly.

Compared with masters coursework graduates, PhD graduates were much more likely to be in their first full-time employment in 2014 (27.7 per cent compared with 25.0 per cent). They were also much less likely to have been in full-time employment with their current employer in their final year of study (46.3 per cent of masters coursework graduates compared with 31.7 per cent of PhD graduates) and were much more likely to have studied on a full-time basis (37.0 per cent of masters coursework graduates compared with 64.8 per cent of PhD graduates) (see [supplementary Table O in Graduate Salaries 2014 Tables and Figures](#)).

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