## AVERAGE WEEKLY EARNINGS, STATES AND AUSTRALIA, JUNE QUARTER 1985

PHONE INQUIRIES for more information about these statistics—contact Gordon Calcino on Canberra (062) 526572 or any of our State offices.
other inquiries, including copies of publications-contact Information Services on Canberra (062) 526627 or in any of our State offices.

MAIL INQUIRIES write to Information Services, ABS, P.O. Box 10. Belconnen, A.C.T. 2616 or any of our State offices.

## MAIN FEATURES

New series of average weekly earnings for the private and government sectors, Australia, are included in this issue.
The 2.6 per cent National Wage increase granted in April 1985 had not been implemented for all employees by 17 May when the survey was conducted.

Estimates of average weekly earnings for the June quarter 1985 and the respective quarterly and annual changes are shown below:

|  | Full-time adult ordinary time earnings |  |  | All employees total earnings |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Average (S) | Change (\%) |  | A verage (\$) | Change (\%) |  |
|  |  | Quarterly | Annual |  | Quarterly | Annual |
| Males | 404.50 | +1.2 | +4.3 | 397.20 | +1.1 | +3.5 |
| Females | 334.40 | +1.8 | +5.5 | 263.40 | +1.3 | +2.5 |
| Persons | 382.80 | +1.4 | +4.8 | 344.10 | +1.2 | +3.2 |

NOTE: Average weekly earnings may be affected by changes in the composition of the labour force (see paragraph 12).

AVERAGE WEEKLY EARNINGS, QUARTERLY CHANGE, PERSONS, AUSTRALIA


## EXPLANATORY NOTES

## Introduction

This publication contains estimates of average weekly earnings for the June quarter 1985 based on information obtained from a sample survey of employers conducted in respect of a specified pay period each quarter.
2. Background information about the average weekly earnings series is provided in Information Paper: New Statistical Series: Employment, Average Weekly Earnings, Job Vacancies and Overtime (6256.0) published on 21 June 1984, copies of which are available on request.
3. Preliminary estimates of average weekly earnings, Australia for June quarter 1985 were published on 8 August 1985 in Catalogue No. 6301.0.

## Scope of the survey

4. All wage and salary earners who received pay for the reference period are represented in the survey, except:
(a) members of the Australian permanent defence forces;
(b) employees of enterprises primarily engaged in agriculture, forestry, fishing and hunting;
(c) employees in private households employing staff;
(d) employees of overseas embassies, consulates, etc.;
(e) employees based outside Australia;
(f) employees on workers' compensation who are not paid through the payroll;
(g) directors who are not paid a salary;
(h) proprietors/partners of unincorporated businesses;
(i) self-employed persons such as subcontractors, owner/drivers, consultants and persons paid solely by commission without a retainer.

## Survey design

5. A sample of approximately 4,000 employers is selected from the ABS register of businesses to ensure adequate State and industry representation. The sample is updated each quarter to take account of new businesses, those which have ceased operation and structural changes such as takeovers and mergers. The statistical unit for the survey comprises all activities of an enterprise in a particular State or Territory. Each statistical unit on the register is classified to an industry which reflects the predominant activity of the enterprise in the State or Territory. In a small number of cases where an enterprise has significant employment in more than one industry, a separate statistical unit is created for each industry. The
statistical units are stratified by State, government/ private, industry and size of employment and a simple random sample is selected from each stratum.

## Definitions

6. Reference period for the survey refers to the last pay period ending on or before 17 May 1985.
7. Employees refers to all wage and salary earners (as defined in paragraph 4) who received pay for any part of the reference period.
8. Full-time employees are permanent, temporary and casual employees who normally work the agreed or award hours for a full-time employee in their occupation and received pay for any part of the reference period; if agreed or award hours do not apply, employees are regarded as full-time if they ordinarily work 35 hours or more per week.
9. Adults are those employees 21 years of age or over and those employees who, although under 21 years of age, are paid at the full adult rate for their occupation.
10. Weekly ordinary time earnings refers to one week's earnings of employees for the reference period attributable to award, standard or agreed hours of work. It is calculated before taxation and any other deductions (e.g. superannuation, board and lodging) have been made. Included in ordinary time earnings are award payments, over-award payments, penalty payments, shift and other allowances; commissions and retainers; bonuses and similar payments related to the reference period; payments under incentive or piecework; payments under profit sharing schemes normally paid each pay period; payments for leave taken during the reference period; all workers' compensation payments made through the payroll; and salary payments made to directors. Excluded are retrospective pay, pay in advance, leave loadings, severance pay, termination and redundancy payments and other payments not related to the reference period.
11. Weekly total earnings is equal to weekly ordinary time earnings plus overtime earnings.
12. Average weekly earnings statistics represent average gross (before tax) earnings of employees and do not relate to average award rates nor to the earnings of the 'average person'. Estimates of average weekly earnings are derived by dividing estimates of weekly total earnings by estimates of employment. The averages may be affected not only by changes in the level of earnings of employees but also by changes in the overall composition of the labour force. There are several aspects which can contribute to compositional changes such as variations in the proportions of part-time, casual and junior employees, variations in the occupational distribution within and across industries and variations in the distribution of employment between industries. As an example, some assessment of the impact of this latter aspect has been made by calculating weekly total earnings in March 1985 using employment at the

State by industry leve! in March 1984 as weights and comparing the result with the outcome actually observed in March 1985. The increase recorded in weekly total earnings between March 1984 and March 1985 was 5.9 per cent, but after taking into account the limited adjustment for compositional change described above the rise was 5.1 per cent. This analysis may be repeated from time to time.
13. Sector. Government sector includes all government departments, agencies and authorities created by, or reporting to the Commonwealth and State Parliaments. All remaining employees are classified as private sector.

## Comparability of results

14. When comparisons are made between period-toperiod movements in average weekly ordinary time earnings (AWOTE) for full-time adults and movements in the Award Rates of Pay Indexes (ARPI) published in Award Rates of Pay Indexes, Australia (6312.0) it is important to recognise the different coverage, scope, definitions and methodology used in the construction of each series. In particular, the AWOTE series includes a number of payments additional to award rates of pay used in compiling ARPI. Allowances covered under awards which are not industry or occupation-wide in their application such as site, travelling, height and dirt allowances are excluded from ARPI but included in AWOTE. The AWOTE series also includes other payments, such as shift penalty payments and over-award pay. A significant number of employees are not covered by awards but are included in AWOTE. The AWOTE series is affected by compositional change in the labour force. However ARPI is not, because it is a fixed-weight index constructed from a representative 'basket' of occupations selected from the May 1976 Survey of Employee Earnings and Hours and subject to re-selection and re-basing at infrequent intervals. Other factors affecting comparisons of the two series include seasonal influences on earnings and differences between the two series in the treatment of retrospective pay increases. A detailed description of the methodology, scope and definitions used in ARPI is featured in ABS Catalogue No. 6312.0.

## Reliability of estimates

15. As the estimates in this publication are based on information relating to a sample of employers rather than a full enumeration, they are subject to sampling variability. That is, they may differ from the figures that would have been produced if the information had been obtained from all employers. This difference, called sampling error, should not be confused with inaccuracy that may occur because of imperfections in reporting by respondents or in processing by the ABS. Such inaccuracy is referred to as non-sampling error and may occur in any enumeration whet her it be a full count or sample. Efforts have been made to reduce non-sampling error by careful design of questionnaires, detailed checking of returns and quality control of processing.
16. The sampling error associated with any estimate can be estimated from the sample results. One measure of
sampling error is given by the standard error which indicates the degree to which an estimate may vary from the value that would have been obtained from a full enumeration (the 'true' figure). There are about two chances in three that a sample estimate differs from the true value by less than one standard error, and about nineteen chances in twenty that the difference will be less than two standard errors.
17. An example of the use of a standard error for the June quarter 1985 estimates is as follows. Table 1 shows the estimate of average weekly total earnings for all employees in Australia for the June quarter 1985 as being $\$ 344.10$. The estimated standard error associated with this figure is $\$ 1.80$. Therefore, there are about two chances in three that a full enumeration would give a figure in the range $\$ 342.30$ to $\$ 345.90$ and about nineteen chances in twenty that it would be in the range $\$ 340.50$ to $\$ 347.70$.
18. An example of the use of a standard error for a quarterly change estimate is as follows. Table 1 shows the estimated standard error for the quarterly change estimate of average weekly total earnings for all employees in Australia as being $\$ 1.50$. The quarterly change estimate between the March quarter 1985 and the June quarter 1985 is $\$ 4.00$ ( $\$ 344.10$ minus $\$ 340.10$ ). Therefore there are about two chances in three that a full enumeration would give a quarterly change figure in the range $+\$ 2.50$ to $+\$ 5.50$ and about nineteen chances in twenty that it would be in the range $+\$ 1.00$ to $+\$ 7.00$.

## Historical series

19. Estimates of average weekly earnings from September quarter 1981 to March quarter 1984 were included in the March 1984 issue of Catalogue No. 6302.0 published on 12 July 1984. Prior to September quarter 1981 the average weekly earnings series was based on payroll tax returns and other administrative sources and was not directly comparable with the current employer survey series. Users who need a measure of the movement in earnings for a period which spans both the payroll tax based and employer survey series should refer to Table 3 in that publication which presents both series linked to a common index base (September quarter $1981=100$ ).

## Related publications

20. Users may also wish to refer to the following publications which are available on request:

Information Paper: New Statistical Series: Employment, Average Weekly Earnings, Job Vacancies and Overtime (6256.0)

Average Earnings and Hours of Employees, Australia (6304.0)-issued annually

Distribution and Composition of Employee Earnings and Hours, Australia (6306.0)-issued biennially

Overtime, Australia (6330.0)-issued quarterly

Employed Wage and Salary Earners, Autralia (6248.0)issued quarterly

Award Rates of Pay Indexes, Australia (6312.0)—issued monthly

The Labour Force, Australia (6203.0) - issued monthly (\$1.10, \$1.90 incl. postage)
21. Current publications produced by the ABS are listed in the Catalogue of Publications, Australia (1101.0). The ABS also issues, on Tuesdays and Fridays, a Publications Advice (1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

## Unpublished statistics

22. In some cases, the ABS can also make available information which is not published. This information may be made available in one or more of the following forms: microfiche, photocopy, data tape, computer printout, clerically-extracted tabulation. Generally, a charge is made for providing unpublished information. Inquiries should be made to the officer whose name appears in the Phone Inquiries section of the Inquiries box at the front of this publication, or to Information Services in the nearest ABS Office.
23. The estimates of average weekly earnings are rounded to the nearest 10 cents.

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Acting Australian Statistician

TABLE I. AVERAGE WEEKLY EARNINGS C. EMPLOYEES, AUSTRALIA


TABLE 2. AVERAGE WEEKLY EARNINGS OF EMPLOYEES, STATES AND TERRITORIES

| Quarter | Survey reference date | MALES |  |  | FEMALES |  |  | PERSONS |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Full-time adults |  | $\begin{gathered} \text { All } \\ \text { males } \end{gathered}$ | Full-time adults |  | $\underset{\text { females }}{\text { All }}$ | Full-ime adults |  | $\underset{\text { employees }}{\text { All }}$ |
|  |  | Weekly ordinary time earnings | Weekly total earnings | Weekly total earnings | Weekly ordinary time earnings | WeekI total earnings | $\begin{array}{r} \text { Weekly } \\ \text { toral } \\ \text { earnings } \\ \hline \end{array}$ | Weekly ordinary rime earnings | Weekly rotal earnings | Weekly total earnings |
|  |  |  |  |  |  | dollars- |  |  |  |  |
| NEW SOUTH WALES |  |  |  |  |  |  |  |  |  |  |
| 1984- |  |  |  |  |  |  |  |  |  |  |
| March | 17 February | 382.70 | 408.20 | 379.80 | 300.00 | 306.90 | 251.30 | 354.90 | 374.10 | 328.80 |
| June | 18 May | 392.20 | 422.60 | 390.70 | 312.30 | 320.10 | 260.70 | 364.90 | 387.60 | 338.20 |
| September | 17 August | 400.60 | 429.70 | 396.40 | 314.60 | 322.80 | 261.90 | 371.40 | 393.40 | 342.00 |
| December | 16 November | 407.60 | 440.20 | 403.30 | 322.20 | 331.40 | 263.00 | 379.50 | 404.40 | 346.40 |
| 1985- |  |  |  |  |  |  |  |  |  |  |
| March | 15 February | 410.00 | 442.70 | 407.50 | 327.00 | 335.30 | 267.00 | 382.90 | 407.70 | 351.50 |
| June | 17 May | 411.80 | 446.80 | 409.70 | 329.60 | 339.80 | 271.30 | 385.60 | 412.70 | 355.60 |
| Change- |  |  |  |  |  | er cent- |  |  |  |  |
| Quarterly |  | $+0.5$ | $+0.9$ | +0.5 | +0.8 | +1.3 | +1.6 | +0.7 | +1.2 | +1.2 |
| Annual |  | +5.0 | +5.7 | +4.9 | +5.5 | +6.2 | +4.1 | +5.7 | +6.5 | +5.1 |
| Standard errors(a)- |  |  |  |  |  | dollars- |  |  |  |  |
| Level |  | 3.20 | 3.60 | 4.00 | 2.50 | 2.70 2.10 | 3.00 250 | 2.70 2.10 | 3.00 230 | 3.20 2.20 |
| Change (quarterly) |  | 2.40 | 2.70 | 2.60 | 2.00 | 2.10 | 2.50 | 2.10 | 2.30 | 2.20 |
| VICTORIA |  |  |  |  |  |  |  |  |  |  |
| 1984- |  |  |  |  |  |  |  |  |  |  |
| March | 17 February | 373.50 | 397.60 | 367.60 | 307.80 | 315.30 | 255.40 | 351.70 | 370.30 | 322.80 |
| June | 18 May | 386.70 | 413.20 | 380.60 | 320.80 | 327.60 | 266.70 | 365.20 | 385.30 | 336.40 |
| September | 17 August | 390.10 | 417.30 | 387.10 | 325.40 | 333.50 | 270.30 | 369.30 | 390.30 | 341.50 |
| December | 16 November | 393.70 | 423.80 | 385.90 | 330.80 | 339.40 | 268.60 | 373.60 | 396.90 | 339.70 |
| 1985- |  |  |  |  |  |  |  |  |  |  |
| March | 15 February | 394.40 | 424.40 | 387.20 | 332.40 | 340.40 | 273.80 | 374.50 | 397.50 | 343.00 |
| June | 17 May | 401.50 | 431.80 | 398.50 | 340.00 | 349.20 | 278.30 | 381.60 | 405.00 | 350.70 |
| Change- |  |  |  |  |  | er cent- |  |  |  |  |
| Quarterly |  | +1.8 | +1.7 | +2.9 +4 | +2.3 | +2.6 +6.6 | +1.6 +4 | +1.9 +4.5 | +1.9 +5.1 | +2.2 +4.3 |
| Annual |  | +3.8 | +4.5 | +4.7 | +6.0 | +6.6 | +4.3 | +4.5 | +5.1 | +4.3 |
| Standard errors(a)- Level |  |  |  | 4.20 | 2.90 | dollars- 2.80 | 4.00 | 2.40 | 2.60 | 3.70 |
| Change (quarterly) |  | 1.90 | 2.10 | 6.50 | 2.90 2.30 | 2.80 | 3.00 | 1.60 | 1.70 | 4.00 |
| QUEENSLAND |  |  |  |  |  |  |  |  |  |  |
| 1984- |  |  |  |  |  |  |  |  |  |  |
| March | 17 February | 363.70 | 385.90 | 353.60 | 301.50 | 306.40 | 239.90 | 345.90 | 363.20 | 311.90 |
| June | 18 May | 377.20 | 403.70 | 372.70 | 316.50 | 322.30 | 251.60 | 359.90 | 380.50 | 328.40 |
| September | 17 August | 377.50 | 400.10 | 366.50 | 316.30 | 321.40 | 244.30 | 359.60 | 377.10 | 320.20 |
| December | 16 November | 382.50 | 405.30 | 370.90 | 319.90 | 325.50 | 237.50 | 365.50 | 383.60 | 320.60 |
| 1985- |  |  |  |  |  |  |  |  |  |  |
| March | 15 February | 383.10 | 403.30 | 367.80 | 319.00 | 324.10 | 237.60 | 364.90 | 380.80 | 317.00 |
| June | 17 May | 387.40 | 411.10 | 370.30 | 328.60 | 334.50 | 241.20 | 370.90 | 389.70 | 320.30 |
| Change- |  |  |  |  |  | per cent- |  |  |  |  |
| Quarterly |  | $+1.1$ | $+1.9$ | $+0.7$ | +3.0 | $+3.2$ | +1.5 | +1.6 | +2.3 | $+1.1$ |
| Annual |  | +2.7 | +1.8 | -0.6 | +3.8 | +3.8 | -4.1 | +3.1 | +2.4 | -2.5 |
| Standard errors(a)- |  |  |  |  |  | dollars- |  |  |  |  |
| Level |  | 3.10 | 3.50 | 4.00 | 2.60 | 2.70 | 4.80 | 2.50 | 2.80 | 3.80 |
| Change (quarterly) |  | 2.50 | 2.60 | 3.40 | 1.90 | 1.90 | 2.60 | 2.00 | 2.10 | 3.00 |
| SOUTH AUSTRALIA |  |  |  |  |  |  |  |  |  |  |
| 1984- |  |  |  |  |  |  | 222.20 | 340.80 | 358.20 | 298.60 |
| March | 17 February | 359.50 370.90 | 381.70 393.10 | 351.90 364.00 | 295.50 308.20 | 301.40 315.10 | 222.20 234.30 | 340.80 353.30 | 358.20 371.10 | 298.60 311.80 |
| September | 17 August | 376.20 | 398.20 | 364.50 | 313.10 | 320.30 | 233.80 | 359.30 | 377.30 | 312.70 |
| December | 16 November | 379.70 | 406.50 | 360.90 | 318.10 | 324.00 | 229.50 | 362.30 | 383.30 | 306.40 |
| 1985- |  |  |  |  |  |  |  |  |  |  |
| March | 15 February | 382.20 | 408.40 | 371.30 | 320.20 | 325.80 | 242.80 | 365.30 | 385.90 | 321.30 |
| June | 17 May | 389.50 | 416.60 | 371.90 | 325.90 | 333.00 | 248.80 | 372.20 | 393.90 | 324.30 |
| Change- |  |  |  |  |  | per cent- |  |  |  |  |
| Quarterly |  | +1.9 | +2.0 | +0.2 | +1.8 | +2.2 | +2.5 | +1.9 | +2.1 | $+0.9$ |
| Annual |  | +5.0 | +6.0 | +2.2 | +5.7 | +5.7 | +6.2 | +5.3 | +6.1 | +4.0 |
| Standard errors(a)- |  |  |  |  |  | dollars- |  |  |  |  |
| Level |  | 3.40 | 4.10 | 7.50 | 3.80 | 3.80 | 5.80 | 2.90 | 3.50 | 5.20 |
| Change (quarterly) |  | 2.70 | 3.00 | 4.70 | 2.40 | 2.30 | 3.30 | 2.20 | 2.40 | 2.90 |

For footnote see end of table.

TABLE 2. AVERAGE WEEKLY EARNINGS OF EMPLOYEES, STATES AND TERRITORIES-continued

| Ouarter | Survey reference date | MALES |  |  | FEMALES |  |  | PERSONS |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Full-rime adulis |  | $\underset{\text { males }}{\text { All }}$ | Full-time adults |  | $\underset{\text { females }}{\text { All }}$ | Full-time adults |  | employees |
|  |  | Weekly ordinary time earnings | Weekly total earnings | Weekly total earnings | Weekly ordinary time earnings | Weekly total earnings | females <br> Weekly total earnings | Weekly ordinary time earnings | Weekly total earnings |  |


(a) See paragraphs 15-18 of the Explanatory notes.

