

EMPLOYEE EARNINGS AND HOURS

**AUSTRALIA
PRELIMINARY**

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Valerie Pearson on Perth (08) 9360 5374.

NOTES

ABOUT THIS PUBLICATION

This publication contains preliminary estimates obtained from a sample survey of employers conducted in respect of May 2004.

The survey is designed to provide statistics on the composition and distribution of earnings and hours paid for, of employees, and how their pay is set. Final estimates will be published in *Employee Earnings and Hours, Australia, May 2004* (cat. no. 6306.0), expected to be released in March 2005.

RELATED ISSUE

Employee Earnings and Hours, Australia, May 2004 (cat. no. 6306.0)

ISSUE	EXPECTED RELEASE DATE
May 2004	March 2005

NOTES ON ESTIMATES

Care should be taken when comparing estimates of average weekly earnings in this publication with those published quarterly in *Average Weekly Earnings, Australia* (cat. no. 6302.0) because of methodological differences between the two surveys, differences in the two samples used, and the preliminary nature of these estimates.

The estimates contained in this publication may differ from the final data to be released in *Employee Earnings and Hours, Australia, May 2004* (cat. no. 6306.0).

ABS DATA AVAILABLE ON REQUEST

In addition to the information contained in this publication, a range of unpublished data is available on request. For more information refer to the Appendix.

SAMPLING ERRORS

For information on sampling error refer to the Technical Note.

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ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASCO	Australian Standard Classification of Occupations
EEH	Survey of Employee Earnings and Hours

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SUMMARY OF FINDINGS

OVERVIEW

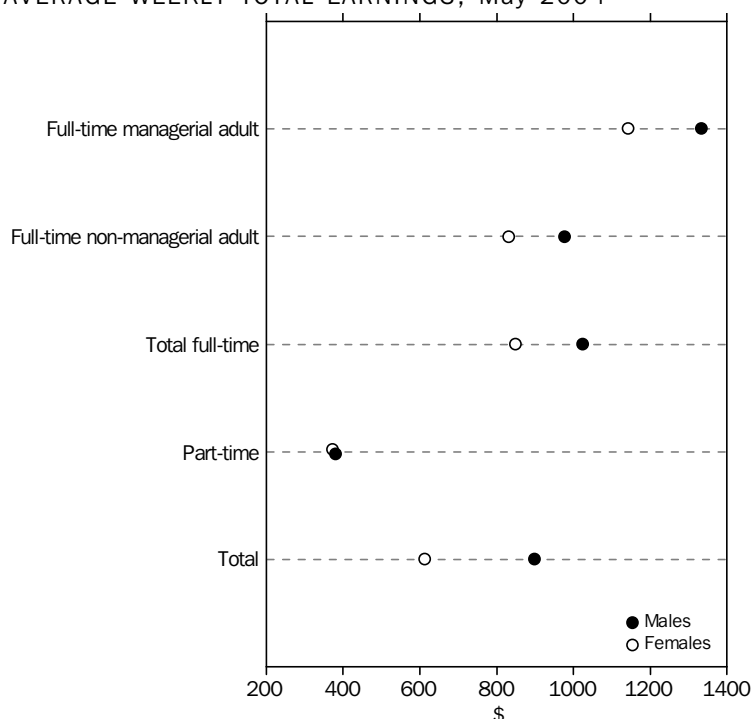
This publication contains preliminary statistics on average weekly earnings of employees. It also includes preliminary estimates of the proportion of employees whose pay is set by award only, collective agreement and individual arrangement. The statistics are based on the Survey of Employee Earnings and Hours conducted in respect of May 2004.

Final estimates will be published in *Employee Earnings and Hours, Australia, May 2004* (cat. no. 6306.0).

AVERAGE WEEKLY TOTAL EARNINGS

- Average weekly total earnings was \$758.80 for all employees, \$898.40 for male employees and \$613.40 for female employees.
- Average weekly total earnings was \$974.40 for full-time adult employees, \$403.60 for full-time non-managerial junior employees and \$375.30 for all part-time employees.
- Average weekly total earnings for all employees in the public sector was \$902.50 compared with \$718.70 in the private sector.
- Average weekly total earnings for public sector employees were higher than those for private sector employees for all managerial and non-managerial categories.
- Average weekly total earnings for all employees was highest in the Mining industry (\$1,533.00) and lowest in the Retail trade (\$448.40) and Accommodation, cafes and restaurants (\$462.80) industries.
- Average weekly total earnings for full-time non-managerial employees was highest in New South Wales (\$952.30) and lowest in South Australia (\$834.70).

AVERAGE WEEKLY TOTAL EARNINGS, May 2004



PAY SETTING METHODS

- In May 2004, the most common method of setting pay for employees was collective agreement (42.1%).
- In the private sector, the most common method of setting pay for all employees was individual arrangement (excluding working proprietors of incorporated businesses) (40.7%), while in the public sector it was collective agreement (93.1%).

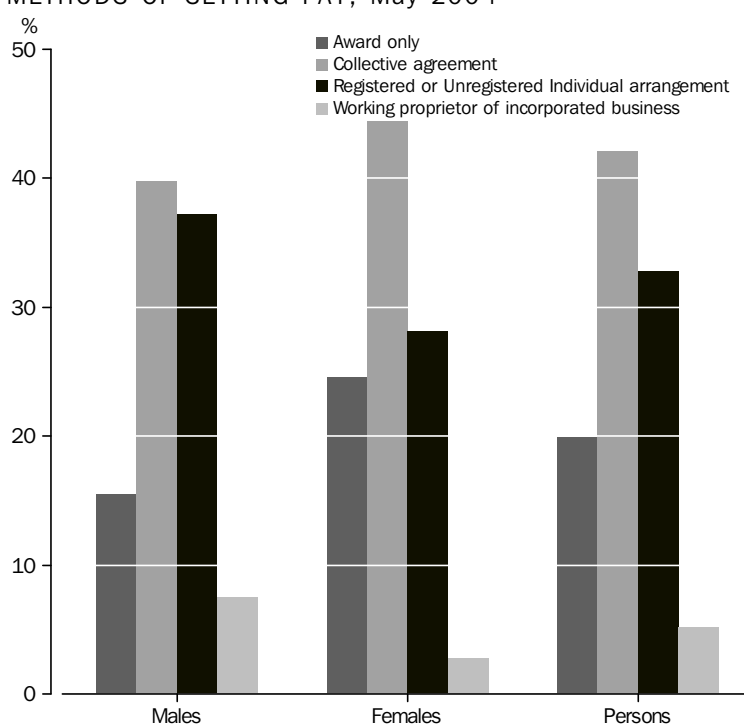
SUMMARY OF FINDINGS *continued*

PAY SETTING METHODS

continued

- The Accommodation, cafes and restaurants industry had the highest proportion of employees whose pay was set by award only (60.2%). The Government, administration and defence industry had the highest proportion of employees whose pay was set by collective agreement (91.3%). The Wholesale trade industry had the highest proportion of employees (excluding working proprietors of incorporated businesses) whose pay was set by individual arrangement (60.6%).
- The Australian Capital Territory and Northern Territory had the highest proportion of employees whose pay was set by collective agreements (57.3% and 56.7% respectively). South Australia had the highest proportion of employees whose pay was set by award only (26.2%).

METHODS OF SETTING PAY, May 2004



AVERAGE WEEKLY TOTAL EARNINGS, Composition

	FULL-TIME EMPLOYEES						PART-TIME EMPLOYEES	ALL EMPLOYEES
	<i>Managerial Adult</i>	<i>Non-managerial adult</i>	<i>Non-managerial junior</i>	<i>Total non-managerial</i>	<i>Total adult</i>	<i>Total</i>	<i>Total</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$	\$
MALES								
Ordinary time	1 331.20	908.30	369.90	890.30	986.10	969.20	365.90	851.10
Overtime	**1.10	67.90	38.30	66.90	55.60	55.10	15.50	47.40
Total	1 332.30	976.10	408.20	957.20	1 041.70	1 024.30	381.40	898.40
FEMALES								
Ordinary time	1 141.90	815.90	391.20	801.80	848.60	834.90	368.00	604.10
Overtime	**0.40	15.50	*5.50	15.20	14.00	13.80	4.80	9.30
Total	1 142.20	831.50	396.70	817.00	862.60	848.60	372.70	613.40
PERSONS								
Ordinary time	1 284.50	871.40	378.40	855.00	934.40	918.60	367.40	730.10
Overtime	**0.90	47.00	25.30	46.30	40.00	39.60	7.90	28.70
Total	1 285.40	918.40	403.60	901.30	974.40	958.20	375.30	758.80

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

AVERAGE WEEKLY TOTAL EARNINGS, Sector and Industry

	FULL-TIME EMPLOYEES						PART-TIME EMPLOYEES	ALL EMPLOYEES
	<i>Managerial Adult</i>	<i>Non-managerial adult</i>	<i>Non-managerial junior</i>	<i>Total non-managerial</i>	<i>Total adult</i>	<i>Total</i>	<i>Total</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$	\$
SECTOR								
Private Sector	1 221.20	888.90	403.50	867.90	946.60	927.00	346.50	718.70
Public Sector	1 678.80	1 001.00	407.50	998.60	1 060.40	1 057.90	506.40	902.50
TOTAL	1 285.40	918.40	403.60	901.30	974.40	958.20	375.30	758.80
INDUSTRY								
Mining	2 041.90	1 521.60	535.00	1 516.00	1 561.90	1 556.50	543.40	1 533.00
Manufacturing	1 272.70	920.00	435.30	908.60	959.20	948.20	414.10	877.50
Electricity, gas and water supply	2 075.30	1 180.80	515.80	1 166.60	1 253.10	1 238.60	477.60	1 163.00
Construction	879.90	996.70	369.20	954.40	967.60	936.80	444.60	871.20
Wholesale Trade	1 408.60	833.60	436.40	826.10	937.00	929.30	360.70	846.50
Retail Trade	800.90	699.80	396.60	669.40	715.70	688.20	252.50	448.40
Accommodation, cafes and restaurants	996.40	691.90	386.10	671.50	751.90	732.10	283.10	462.80
Transport and storage	1 135.00	944.10	528.30	938.90	970.40	965.70	447.50	877.30
Communication services	1 684.60	1 002.90	376.40	996.70	1 046.00	1 039.90	414.20	927.60
Finance and insurance	2 018.30	1 010.30	413.80	1 002.70	1 175.50	1 167.40	442.70	1 008.00
Property and business services	1 393.50	946.90	407.90	932.20	1 044.80	1 031.10	419.80	833.50
Government administration and defence	1 589.10	921.10	388.10	919.60	1 007.50	1 006.00	472.80	908.60
Education	1 531.60	988.20	384.80	978.20	1 040.10	1 030.30	432.00	797.70
Health and community services	1 331.50	885.40	396.60	875.80	931.30	922.00	482.80	674.50
Cultural and recreational services	1 209.50	895.60	483.60	890.60	950.10	945.40	330.90	666.50
Personal and other services	1 009.70	903.00	400.00	863.50	917.90	882.60	276.70	696.50
TOTAL	1 285.40	918.40	403.60	901.30	974.40	958.20	375.30	758.80

AVERAGE WEEKLY TOTAL EARNINGS, Occupation

	FULL-TIME EMPLOYEES						PART-TIME EMPLOYEES	ALL EMPLOYEES
	Managerial Adult	Non-managerial adult	Non-managerial junior	Total non-managerial	Total adult	Total	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Managers and administrators(a)	1 555.60	1 397.20	—	1 397.20	1 538.20	1 538.20	782.40	1 486.30
Professionals	1 240.00	1 125.50	455.00	1 124.20	1 135.30	1 134.20	584.00	970.90
Associate professionals	944.90	999.30	475.00	996.30	988.60	986.30	449.70	876.70
Tradespersons and related workers	754.70	918.90	396.30	866.00	905.30	857.60	395.90	811.50
Advanced clerical and service workers	672.30	864.50	475.60	858.90	849.50	844.50	412.60	702.80
Intermediate clerical, sales and service workers	699.00	766.50	413.70	754.90	765.40	754.10	356.80	578.90
Intermediate production and transport workers	674.90	908.70	446.20	902.20	900.50	894.40	357.40	772.00
Elementary clerical, sales and service workers	697.60	694.40	389.20	665.50	694.60	666.50	250.10	386.30
Labourers and related workers	671.10	770.00	388.50	760.30	768.70	759.20	310.70	541.50
All occupations	1 285.40	918.40	403.60	901.30	974.40	958.20	375.30	758.80

— nil or rounded to zero (including null cells)

(a) Refer to Explanatory Notes paragraph 21

AVERAGE WEEKLY TOTAL EARNINGS, States and territories

	FULL-TIME EMPLOYEES						PART-TIME EMPLOYEES	ALL EMPLOYEES
	Managerial Adult	Non-managerial adult	Non-managerial junior	Total non-managerial	Total adult	Total	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
New South Wales	1 309.20	966.00	413.00	952.30	1 023.70	1 011.00	395.20	809.30
Victoria	1 295.20	910.10	397.60	892.60	972.00	955.50	375.60	757.20
Queensland	1 287.10	863.30	383.60	845.80	911.60	894.50	359.70	709.30
South Australia	1 152.90	853.30	390.20	834.70	898.00	880.50	366.90	677.00
Western Australia	1 237.00	947.70	441.60	921.60	989.70	965.30	359.30	761.50
Tasmania	1 080.80	866.80	380.30	844.50	898.20	877.70	351.00	650.90
Northern Territory	1 275.90	933.50	413.00	926.50	973.10	966.30	324.40	792.90
Australian Capital Territory	1 445.30	912.30	315.50	906.30	1 035.90	1 030.30	390.60	838.40
Australia	1 285.40	918.40	403.60	901.30	974.40	958.20	375.30	758.80

METHODS OF SETTING PAY, Sector and Industry

INDIVIDUAL ARRANGEMENT					
	Award only	Collective agreement(a)	Registered or Unregistered(b)	Working proprietor of incorporated business(b)	Total
	%	%	%	%	%
SECTOR					
Private sector	24.9	27.8	40.7	6.7	100.0
Public sector	*2.2	93.1	4.7	. .	100.0
All sectors	19.9	42.1	32.8	5.2	100.0
INDUSTRY					
Mining	*1.8	39.1	57.4	*1.7	100.0
Manufacturing	15.5	34.9	44.7	4.9	100.0
Electricity, gas and water supply	*1.7	81.1	16.8	*0.4	100.0
Construction	15.8	24.6	40.3	19.4	100.0
Wholesale Trade	14.7	17.3	60.6	7.4	100.0
Retail Trade	31.5	33.4	30.1	5.0	100.0
Accommodation, cafes and restaurants	60.2	10.9	26.6	2.3	100.0
Transport and storage	14.4	43.7	34.6	7.3	100.0
Communication services	*2.1	62.8	32.6	*2.5	100.0
Finance and insurance	4.7	43.7	46.7	4.9	100.0
Property and business services	18.9	*18.2	53.5	9.4	100.0
Government administration and defence	*0.7	91.3	8.0	. .	100.0
Education	8.5	85.1	6.0	*0.4	100.0
Health and community services	27.2	55.1	15.1	2.6	100.0
Cultural and recreational services	16.4	42.8	37.9	*2.9	100.0
Personal and other services	23.6	46.4	27.1	*3.0	100.0
All Industries	19.9	42.1	32.8	5.2	100.0
* estimate has a relative standard error of 25% to 50% and should be used with caution . . not applicable (a) Registered and unregistered collective agreements. (b) Prior to 2004, working proprietors of incorporated businesses were classified to unregistered individual arrangements.					

METHODS OF SETTING PAY, Occupation

INDIVIDUAL ARRANGEMENT

	<i>Award only</i>	<i>Collective agreement(a)</i>	<i>Registered or Unregistered(b)</i>	<i>Working proprietor of incorporated business(b)</i>	<i>Total</i>
	%	%	%	%	%
Managers and administrators(c)	0.9	26.3	46.7	26.1	100.0
Professionals	6.7	56.2	32.5	4.5	100.0
Associate professionals	8.0	41.2	42.5	8.3	100.0
Tradespersons and related workers	22.0	36.4	34.5	7.1	100.0
Advanced clerical and service workers	7.7	31.4	51.0	9.8	100.0
Intermediate clerical, sales and service workers	26.5	39.7	32.6	1.2	100.0
Intermediate production and transport workers	16.7	51.8	28.5	3.0	100.0
Elementary clerical, sales and service workers	39.7	37.8	21.2	1.3	100.0
Labourers and related workers	37.0	38.8	23.5	*0.7	100.0
All occupations	19.9	42.1	32.8	5.2	100.0

* estimate has a relative standard error of 25% to 50% and should be used with caution

(b) Prior to 2004, working proprietors of incorporated businesses were classified to unregistered individual arrangements.

(a) Registered and unregistered collective agreements.

(c) Refer to Explanatory Notes paragraph 21

METHODS OF SETTING PAY, States and territories

INDIVIDUAL ARRANGEMENT

	<i>Award only</i>	<i>Collective agreement(a)</i>	<i>Registered or Unregistered(b)</i>	<i>Working proprietor of incorporated business(b)</i>	<i>Total</i>
	%	%	%	%	%
New South Wales	22.3	37.9	33.8	6.1	100.0
Victoria	16.7	42.9	34.4	6.1	100.0
Queensland	23.2	43.7	29.4	3.8	100.0
South Australia	26.2	45.1	24.2	4.5	100.0
Western Australia	11.7	44.4	39.4	4.5	100.0
Tasmania	19.4	38.5	38.3	3.7	100.0
Northern Territory	10.3	56.7	29.6	3.4	100.0
Australian Capital Territory	16.7	57.3	23.0	3.0	100.0
Australia	19.9	42.1	32.8	5.2	100.0

(a) Registered and unregistered collective agreements.

(b) Prior to 2004, working proprietors of incorporated businesses were classified to unregistered individual arrangements.

EXPLANATORY NOTES

INTRODUCTION

1 This publication contains preliminary estimates from the Survey of Employee Earnings and Hours. The survey was conducted in May 2004 and collected information from a sample of employers about the earnings, hours paid for, and selected characteristics of their employees.

2 The survey is designed to provide detailed statistics on the composition and distribution of earnings and hours paid for, of employees. Information is collected about the characteristics of employers, such as industry and sector, and their employees, such as occupation, type of employee, and method of setting pay. This information is used to provide comprehensive statistics about earnings and hours paid for, for various groups of employees, for example, classified by industry, occupation and pay setting method.

3 Final estimates will be published in *Employee Earnings and Hours, Australia, May 2004* (cat. no. 6306.0), expected to be released in March 2005.

CONCEPTS, SOURCES AND METHODS

4 Descriptions of the underlying concepts of employee earnings, hours paid for and methods of setting pay, and the sources and methods used in compiling these estimates, are presented in *Labour Statistics: Concepts, Sources and Methods* (cat. no. 6102.0.55.001) which is available on the ABS web site <<http://www.abs.gov.au>>.

SCOPE AND COVERAGE

5 The survey covered all employing organisations in Australia (public and private sectors) except:

- enterprises primarily engaged in agriculture, forestry and fishing
- private households employing staff
- foreign embassies, consulates, etc.

6 The employees of employers covered in the survey are in scope if they received pay for the reference period, except:

- members of the Australian permanent defence forces
- employees based outside Australia
- employees on workers' compensation who are not paid through the payroll.

SURVEY METHODOLOGY AND DESIGN

7 The Survey of Employee Earnings and Hours uses a two-stage sample selection approach. The first stage involves selecting a probability sample of employer units from the ABS Business Register. The statistical unit for the first stage comprises all activities of an employer in a particular state or territory based on the Australian Business Number (ABN) unit or Type of Activity Unit (TAU) (see paragraphs 11-15). Each statistical unit is classified to an industry which reflects the predominant activity of the business. The statistical units are stratified by state/territory, sector (private/public), industry, and employment size. For the public sector, level of government (i.e. Commonwealth government, State/Local government) is also used as a stratification variable. Within each stratum statistical units are selected with equal probability. A sample of approximately 9,000 employer (selection) units was selected to ensure adequate industry and state/territory representation.

8 In the second stage the selected employers are asked to select a random sample of employees from their payrolls using instructions provided by the ABS. Data for approximately 55,000 employees contributed to the results in this publication.

EXPLANATORY NOTES *continued*

STATISTICAL UNITS DEFINED ON THE ABS BUSINESS REGISTER

9 The ABS uses an economic statistics units model on the ABS Business Register to describe the characteristics of businesses (and other organisations, including government departments), and the structural relationships between related businesses. The units model is also used to break groups of related businesses into relatively homogeneous components that can provide data to the ABS.

10 In mid 2002, to better use the information available as a result of The New Tax System, the ABS changed its economic statistics units model. The new units model allocates businesses to one of two sub-populations. The vast majority of businesses are in what is called the ATO Maintained Population, while the remaining businesses are in the ABS Maintained Population. Together, these two sub-populations make up the ABS Business Register population.

ATO MAINTAINED POPULATION

11 Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN), and are then included on the ATO Australian Business Register. Most of these businesses have simple structures, in which case the unit registered for an ABN will satisfy ABS statistical requirements. For these businesses, the ABS has aligned its statistical units structure with the ABN unit. The businesses with simple structures constitute the ATO Maintained Population, and the ABN unit is used for these businesses as the statistical unit for all economic collections.

ABS MAINTAINED POPULATION

12 For the population of businesses where the ABN unit is not suitable for ABS statistical requirements, the ABS maintains its own units structure through direct contact with the business. These businesses constitute the ABS Maintained Population. This population consists typically of large, complex and diverse businesses. The new statistical units model described below has been introduced to cover such businesses.

13 Enterprise Group: This is a unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It covers all the operations in Australia of legal entities which are related in terms of the current Corporations Law (as amended by the *Corporations Legislation Amendment Act 1991*), including legal entities such as companies, trusts, and partnerships. Majority ownership is not required for control to be exercised.

14 Enterprise: The enterprise is an institutional unit comprising (i) a single legal entity or business entity, or (ii) more than one legal entity or business entity within the same Enterprise Group and in the same institutional sub-sector (ie they are all classified to a single Standard Institutional Sector Classification of Australia sub-sector).

15 Type of Activity Unit (TAU): The TAU comprises one or more business entities, sub-entities or branches of a business entity within an Enterprise Group that can report production and employment data for similar economic activities. When a minimum set of data items is available, a TAU is created which covers all the operations within an industry sub-division (and the TAU is classified to the relevant sub-division of ANZSIC). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry sub-division.

16 For more information on the impacts of the introduction of the new economic statistics units model, refer to *Information Paper: Improvements in ABS Economic Statistics [Arising from The New Tax System]* (cat. no. 1372.0).

INDUSTRY CLASSIFICATION

17 Each statistical unit selected in this survey is classified to an industry which reflects the primary activity of the organisation. The industry classification is the Australian and New Zealand Standard Industrial Classification (ANZSIC); for more details refer to *Australian and New Zealand Standard Industrial Classification, 1993* (cat. no. 1292.0).

EXPLANATORY NOTES *continued*

INDUSTRY CLASSIFICATION

continued

18 Employees selected in the Survey of Employee Earnings and Hours are classified to the industry of the organisation in which they are employed.

OCCUPATION CLASSIFICATION

19 Each employee in the survey is classified to an occupation based on their job title and duties. The occupation classification is the Australian Standard Classification of Occupations (ASCO); for more details refer to *Australian Standard Classification of Occupations, Second Edition* (cat. no. 1220.0).

MANAGERIAL STATUS

20 Employees have been classified as managerial if they have strategic responsibilities in the conduct or operations of the organisation and/or were in charge of a significant number of employees. These employees usually did not have an entitlement to paid overtime. All other employees have been classified as non-managerial.

21 Care should be taken when comparing survey estimates based on ASCO groups with estimates based on the managerial status of employees. Estimates for employees with managerial status include employees classified to ASCO categories other than the ASCO major group 'Managers and administrators'; e.g. employees classified as 'Professionals' according to ASCO may be categorised by employers as having managerial status. Conversely, tables in this publication which contain estimates for non-managerial employees (as defined by employers) will include some employees who would be classified to the ASCO major group 'Managers and administrators'.

METHODS OF SETTING PAY

22 Data on how employees' pay was set in the survey reference period have been collected in the survey since May 2000. Since May 2000, data have also been collected on whether agreements (individual or collective) were certified, approved or registered with an industrial tribunal or authority.

23 The May 2004 and May 2002 surveys collected data on whether the *main* part of employees' pay was set by individual agreement, collective agreement or award. The May 2000 survey collected data on whether *all* or *any* part of employees' pay was set by an individual agreement, collective agreement, award, or a combination of these. It is considered unlikely that the change between 2000 and 2002 will affect comparability of estimates across time.

EMPLOYEE ESTIMATES

24 Estimates of the number of employees based on the EEH survey are provided in the following table to assist in interpreting publication tables that contain proportions of employees for earnings ranges and methods of setting pay. Other estimates of employees, classified by selected characteristics, may be available on request to assist users in interpreting other estimates from the survey. Although the EEH survey can provide estimates of the number of employees, it is not designed specifically for this purpose (the ABS Labour Force Survey is the primary source for official ABS statistics of employment). Therefore, care should be taken in the interpretation and use of such estimates.

EXPLANATORY NOTES *continued*

EMPLOYEE ESTIMATES *continued*

EMPLOYEE ESTIMATES, SURVEY OF EMPLOYEE EARNINGS AND HOURS, MAY 2004

	Males		Females		Persons	
	RSE		RSE		RSE	
	'000	%	'000	%	'000	%
New South Wales	1 329.1	3.3	1 264.6	4.7	2 593.7	3.4
Victoria	1 032.1	3.9	989.6	5.8	2 021.7	4.2
Queensland	823.6	9.0	757.2	4.9	1 580.8	5.7
South Australia	272.3	5.5	282.5	6.1	554.8	5.2
Western Australia	403.4	6.5	399.0	10.4	802.4	7.8
Tasmania	114.5	17.0	89.3	15.7	203.8	13.6
Northern Territory	37.9	8.7	45.4	15.9	83.3	10.4
Australian Capital Territory	74.4	5.9	93.6	9.2	168.0	6.5
Australia	4 087.3	2.5	3 921.2	2.6	8 008.5	2.1

COMPARABILITY OF RESULTS

25 Care should be taken when comparing estimates of average weekly earnings from this survey with those published quarterly in *Average Weekly Earnings, Australia* (cat. no. 6302.0), as different sample design and survey methodologies are used. The Survey of Average Weekly Earnings collects information relating to the total gross earnings and the total number of employees of employer units selected in the survey. The average weekly earnings measures are derived by dividing total gross earnings by the number of employees. The Survey of Employee Earnings and Hours collects information about weekly earnings of a sample of employees within the employer units selected. However, the size of the employer sample for the Survey of Employee Earnings and Hours is larger than that for the Survey of Average Weekly Earnings.

RELIABILITY OF ESTIMATES

26 Estimates are subject to sampling and non-sampling errors. For information on the reliability of estimates see the Technical Note.

RELATED PUBLICATIONS

27 Users may also wish to refer to the following publications:

- *Australian Labour Market Statistics* (cat. no. 6105.0) - issued quarterly
- *Average Weekly Earnings, Australia* (cat. no. 6302.0) - issued quarterly
- *Employee Earnings, Benefits and Trade Union Membership, Australia* (cat. no. 6310.0) - issued annually
- *Employee Earnings and Hours, Australia* (cat. no. 6306.0) - issued biennially
- *Labour Force, Australia* (cat. no. 6202.0) - issued monthly
- *Labour Price Index, Australia* (cat. no. 6345.0) - issued quarterly.
- *Labour Statistics: Concepts, Sources and Methods 2001* (cat. no. 6102.0.55.001)
- *Wage and Salary Earners, Public Sector, Australia* (cat. no. 6248.0.55.001) - issued quarterly

28 Current publications and other products released by the ABS are listed in the *Catalogue of Publications and Products, Australia* (cat. no. 1101.0). The Catalogue is available from any ABS office or the ABS web site. The ABS also issues a daily Release Advice on the web site which details products to be released in the week ahead.

ROUNDING

29 Estimates of earnings shown in the tables are rounded to the nearest 10 cents and those of average weekly hours paid for are rounded to the first decimal place.

30 Estimates of proportions of employees for earnings ranges and methods of setting pay are rounded to one-tenth of a percentage point.

31 Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

APPENDIX ABS DATA AVAILABLE ON REQUEST

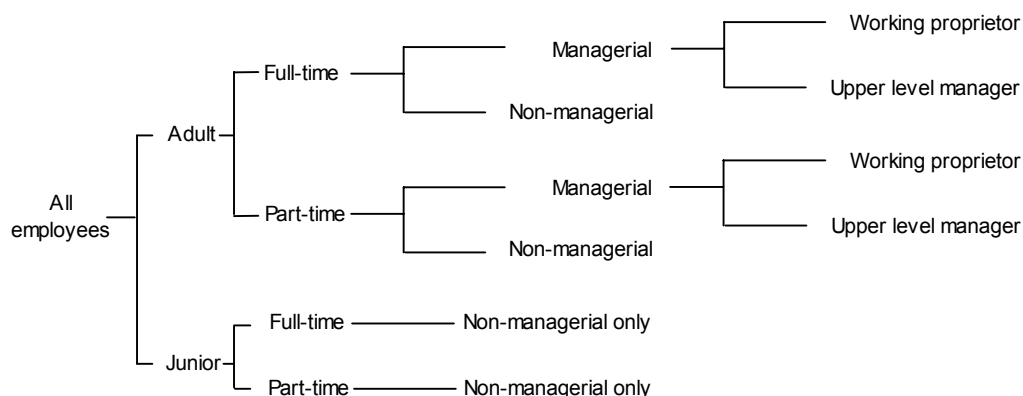
INTRODUCTION

A limited range of unpublished data from this survey is available on request. Data availability will depend on the size of the sampling error for the estimates requested.

Data can be produced for clients as customised reports in a variety of formats. Contact Brad Pottinger on 08 9360 5305 for more information.

The survey populations and variables are listed below.

POPULATION



VARIABLES

Note that all data is subject to ABS confidentiality provisions, and data considered confidential will be suppressed. In general the more variables which are cross-classified in any one tabulation the more likely it is that some data will be suppressed. The following variables are available from the survey:

Distribution of employees

- Average weekly total earnings

Composition of earnings

- Average weekly ordinary time earnings
- Average weekly overtime earnings
- Average weekly total earnings

Composition of hours paid for – Non-managerial employees

- Average weekly total hours paid for
- Average weekly ordinary time hours paid for
- Average weekly overtime hours paid for

States

- All States and territories

Sector

- Public
- Private

Sex

- Males
- Females

Managerial status

- Managerial
- Non-managerial

Employee status

- Full-time
- Part-time

Pay rate

- Adult

APPENDIX ABS DATA AVAILABLE ON REQUEST *continued*

VARIABLES *continued*

- Junior

Type of employee

- Permanent or fixed term
- Casual

Occupation (ASCO Second Edition)

- ASCO Major Group (1-digit codes)

Industry (ANZSIC classification)

- Division (1-digit codes)

Method of setting pay

- Award only
- Collective agreement
- Individual arrangement
 - Working proprietor of incorporated business
 - Registered or unregistered arrangement

RELIABILITY OF ESTIMATES

1 As the estimates in this publication are based on information relating to a sample of employers and employees, 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 data had been obtained from all employers and all employees. The 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 whether it be a full count or a sample. Efforts have been made to reduce non-sampling error by careful design of questionnaires, detailed checking of returns and quality control of processing.

2 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 value'). 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.

3 An example of the use of a standard error is as follows. From table 1, the estimated average weekly total earnings for all male employees in Australia is \$898.40, with a standard error of \$9.40 (from the table below). Then there would be about two chances in three that a full enumeration would have given an estimate in the range \$889.00 to \$907.80 and about nineteen chances in twenty that it would be in the range \$879.60 to \$917.20.

4 The difference between two survey estimates is also an estimate and it is therefore subject to sampling variability. The standard error on the difference between two survey estimates in the one time period (i.e. x-y) can be calculated using the following formula:

$$SE(x - y) = \sqrt{[SE(x)]^2 + [SE(y)]^2}$$

5 The formula above will overestimate the standard error where there is a positive correlation between two estimates (e.g. male and female school teachers). While this formula will only be accurate where there is no correlation between two estimates (e.g. estimates from different states), it is expected to provide a reasonable approximation of the standard error for the difference between two survey estimates.

6 From table 1, the estimated average weekly total earnings for all female employees in Australia is \$613.40, with a standard error of \$8.00 (from the table below). The difference between the earnings of male and female employees is \$285.00. The estimate of the standard error of the difference between the average weekly total earnings for male and female employees in Australia is:

$$SE(\$898.40 - \$613.40) = \sqrt{[\$9.40]^2 + [\$8.00]^2} = \$12.34$$

7 There are about two chances in three that the true figure for the difference between male and female average weekly earnings lies in the range \$272.66 to \$297.34, and about nineteen chances in twenty that the figure is in the range \$260.32 to \$309.68.

8 The formula above can be used to estimate the standard error on a difference between estimated averages in two different years. (The movement standard error will be approximately 1.4 times the standard error on the level estimate, if the standard errors on the two level estimates are similar.)

9 Another measure of the sampling error is the relative standard error, which is obtained by expressing the standard error as a percentage of the estimate. Both the standard error and relative standard error are used to measure the reliability of estimates.

RELIABILITY OF ESTIMATES *continued*

10 Relative standard errors can be calculated using the actual standard error and the survey estimate using the formula below

$$RSE(\text{estimate}) = [SE(\text{estimate})/(\text{estimate})] * 100$$

11 For example, from table 1, the average weekly total earnings for all male employees in Australia is \$898.40, and for all female employees it is \$613.40. The table below shows an estimate for the standard error on the male estimate is \$9.40, and an estimate of the standard error on the female estimate is \$8.00.

12 Applying the above formula the relative standard errors for the average weekly total earnings for all male employees and all female employees can be worked out as follows:

All male employees

$$RSE(898.40) = [9.40/898.40] * 100$$

All female employees

$$RSE(613.40) = [8.00/613.40] * 100$$

13 An asterisk appears against an estimate in this publication where the sampling variability is considered high. For the tables in this publication, estimates with relative standard errors between 25% and 50% have been labelled with a single asterisk; estimates with a relative standard error greater than 50% have been labelled with a double asterisk.

PAY SETTING METHOD – PROPORTIONS DATA

14 Standard errors can be used to construct confidence intervals around the estimated proportions. There are about two chances in three that the 'true' value is within the interval that ranges from the sample estimate minus one standard error (estimate - 1xSE) to the sample estimate plus one standard error (estimate + 1xSE). There are approximately 19 chances in 20 that the 'true' value lies within the interval from the estimate minus two standard errors (estimate - 2xSE) to the estimate plus two standard errors (estimate + 2xSE).

15 The above rule gives a symmetric confidence interval that is reasonably accurate when the estimated proportion is not too near 0.00 or 1.00. Where the estimated proportion is close to 0.00 or 1.00 it would be more accurate to use a confidence interval that was not symmetric around the sample estimate. If an estimate is close to 1.00, then the upper boundary of the confidence interval should be closer to the sample estimate than suggested above, while the lower boundary should be further from the sample estimate. Similarly, if an estimate is close to 0.00, then the lower boundary of the confidence interval should be closer to the sample estimate than suggested above, while the upper boundary should be further from the sample estimate. In particular, the symmetric confidence interval could include values that are not between 0.00 and 1.00. In such a case a good rule of thumb is to use a confidence interval of the same size as the symmetric one, but with the lower (or upper) boundary set to 0.00 (or 1.00).

16 The table below contains estimates of standard errors from which confidence intervals may be constructed.

TECHNICAL NOTE DATA QUALITY *continued*

STANDARD ERRORS. AVERAGE WEEKLY TOTAL EARNINGS, Composition

	FULL-TIME EMPLOYEES					PART-TIME EMPLOYEES	ALL EMPLOYEES
	<i>Managerial Adult</i>	<i>Non-managerial adult</i>	<i>Non-managerial junior</i>	<i>Total non-managerial</i>	<i>Total adult</i>	<i>Total</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$
MALES							
Ordinary time	29.70	7.50	7.60	7.50	9.50	9.40	10.60
Overtime	0.70	2.90	7.50	2.80	2.30	2.30	2.90
Total	29.70	8.20	13.30	8.10	9.70	9.60	11.40
FEMALES							
Ordinary time	30.00	7.90	9.00	8.00	8.10	8.20	5.50
Overtime	0.20	1.10	1.70	1.00	1.00	0.90	0.50
Total	30.00	7.80	9.10	7.90	7.90	8.00	5.50
PERSONS							
Ordinary time	24.80	6.20	6.10	6.20	7.20	7.20	5.50
Overtime	0.50	1.90	4.70	1.80	1.60	1.60	0.90
Total	24.80	6.30	9.00	6.30	7.20	7.10	5.60

STANDARD ERRORS. METHODS OF SETTING PAY, States and territories

	INDIVIDUAL ARRANGEMENT				
	<i>Award only</i>	<i>Collective agreement</i>	<i>Registered or Unregistered</i>	<i>Working proprietor of incorporated business</i>	<i>Total</i>
	%	%	%	%	%
New South Wales	1.2	1.8	1.3	0.4	—
Victoria	1.4	2.2	1.5	0.5	—
Queensland	2.0	3.0	2.0	0.4	—
South Australia	1.9	2.5	1.7	0.6	—
Western Australia	1.3	4.2	3.3	0.6	—
Tasmania	3.2	5.3	8.4	0.8	—
Northern Territory	1.6	4.6	3.6	0.7	—
Australian Capital Territory	2.3	3.0	2.3	0.6	—
Australia	0.7	1.1	0.8	0.2	—

— nil or rounded to zero (including null cells)

GLOSSARY

Adult employees	Employees who are 21 years of age or over, and employees under 21 who are paid at the full adult rate for their occupation.
Average (mean) earnings	The amount obtained by dividing the total earnings of a group (e.g. full-time employees) by the number of employees in that group.
Award only	<p>Awards are legally enforceable determinations made by federal or state industrial tribunals that set the terms of employment (pay and/or conditions) usually in a particular industry or occupation. Awards may be the sole mechanism used to set the pay and/or conditions for an employee or group of employees, or alternatively may be used in conjunction with an individual or collective agreement.</p> <p>Employees are classified to the Award only category if they are paid at the rate of pay specified in the award, and are not paid more than that rate of pay.</p>
Collective agreement	<p>An agreement between an employer (or group of employers) and a group of employees (or one or more unions or employee associations representing the employees). A collective agreement sets the terms of employment (pay and/or conditions) for a group of employees, and is usually registered with a Federal or state industrial tribunal or authority.</p> <p>Employees are classified to the Collective agreement category if they had the main part of their pay set by a registered or unregistered collective agreement or enterprise award.</p>
Employees	Persons who work for a private or public employer, and received pay for the reference period in the form of wages or salaries, a commission while also receiving a retainer, tips, piece rates or payment in kind. Persons who operate their own incorporated business with or without hiring employees are also included as employees.
Full-time employees	Employees who normally work the agreed or award hours for a full-time employee in their occupation. If agreed or award hours do not apply, employees are regarded as full-time if they usually work 35 hours or more per week.
Individual arrangement	<p>An arrangement between an employer and an individual employee on the terms of employment (pay and/or conditions) for the employee. Common types of individual arrangements are individual contracts, letters of offer and common law contracts. An individual contract (or letter of offer) may specify all terms of employment, or alternatively may reference an award for some conditions and/or in the setting of pay (e.g. overaward payments). Individual contracts may also be registered with a Federal or state industrial tribunal or authority (e.g. as an Australian Workplace Agreement). Working proprietors of incorporated businesses are regarded as having their pay set by individual arrangements, and are identified separately within the individual arrangement category.</p> <p>Employees are classified to the Individual arrangement category if they have the main part of their pay set by an individual contract, registered individual agreement (e.g. Australian Workplace Agreement), common law contract, or if they receive overaward payments by individual agreement.</p>
Industry	Classified according to the <i>Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993</i> (cat. no. 1292.0).
Junior employees	Employees who are under 21 years of age and are not paid at the full adult rate for their occupation.
Managerial employees	Employees who are in charge of a significant number of employees and/or have strategic responsibilities in the conduct or operations of the organisation, and usually do not have an entitlement to paid overtime. Includes professionally qualified staff who primarily perform managerial tasks in conjunction with utilising their professional skills. Working proprietors and working directors of their own incorporated businesses are regarded as managerial employees.

GLOSSARY *continued*

Method of setting pay	How the main part of an employee's pay is set. Employees are classified to one of the following categories: Award only; Collective agreement; or Individual arrangement. Employees classified to the Collective agreement or Individual arrangement categories are further classified according to whether the agreement is registered with a Federal or State industrial tribunal or authority.
Non-managerial employees	Employees who are not managerial employees (as defined above) including non-managerial professionals and some employees with supervisory responsibilities.
Occupation	Classified according to the <i>Australian Standard Classification of Occupations (ASCO), Second Edition</i> (cat. no. 1220.0).
Ordinary time earnings	Payment for award, standard or agreed hours of work, including allowances, penalty payments, payments by measured result and regular bonuses and commissions. Excluded are non-cash components of salary packages, amounts salary sacrificed, overtime payments, retrospective pay, pay in advance, leave loadings, severance pay, and termination and redundancy payments.
Overtime earnings	Payment for hours worked in excess of award, standard or agreed hours of work.
Part-time employees	Employees who normally work less than the agreed or award hours for a full-time employee in their occupation. If agreed or award hours do not apply, employees are regarded as part-time if they usually work less than 35 hours per week.
Reference period	The survey refers to the last pay period ending on or before 21 May 2004. All estimates of earnings in this publication are weekly, therefore, for employees paid other than weekly, estimates of earnings have been converted to a weekly basis.
Sector	Public sector comprises local government authorities and all government departments and agencies created by, or reporting to, the Commonwealth, or state/territory Parliaments. The private sector comprises all organisations not classified as public sector.
Weekly total earnings	Weekly total earnings of employees is equal to weekly ordinary time earnings plus weekly overtime earnings.
Working proprietor of an incorporated business	A working proprietor of an incorporated business is considered to be an employee of their own business. As working proprietors of incorporated businesses differ from other employees in having the power to determine their own pay and working hours (subject to the earnings of the business and other factors), they are separately identified within the individual arrangement category.

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