



AVERAGE WEEKLY EARNINGS, AUSTRALIA, JUNE QUARTER 1984 PRELIMINARY

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MAIN FEATURES

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

The 4.1 per cent increase granted to all employees in April 1984 had not been implemented for all employees by 18 May when the survey was conducted.

Preliminary estimates of average weekly earnings for the June quarter 1984 and the respective quarterly and annual changes are shown below:

	<i>Full-time adult ordinary time earnings (\$)</i>	<i>Change from previous quarter (%)</i>	<i>Change from previous year (%)</i>
Males	387.80	+3.1	+9.7
Females	316.30	+4.0	+12.2
Persons	364.90	+3.3	+10.3
	<i>All employees total earnings (\$)</i>	<i>Change from previous quarter (%)</i>	<i>Change from previous year (%)</i>
Males	383.60	+3.5	+11.7
Females	256.60	+4.1	+13.2
Persons	332.90	+3.6	+12.1

EXPLANATORY NOTES

Introduction

This publication contains preliminary estimates of average weekly earnings for the June quarter 1984. The estimates were obtained from a new sample selected from the recently upgraded ABS register of businesses and are not strictly comparable with estimates of average weekly earnings published prior to June 1984.

2. Background information for the introduction of the new sample 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. The new and old samples were run in parallel for both the September quarter 1983 and the December quarter 1983 and estimates of average weekly earnings for the previous quarters have been revised based on the

relationship between the estimates produced from the new and old sample surveys for the December quarter 1983. Estimates for previous quarters have been revised by applying to the new estimates for the December quarter 1983 previously published quarterly movements.

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 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 selected from each stratum.

Definitions

6. *Reference period* for the survey refers to the last pay period ending on or before 18 May 1984.

7. *Employees* refers to all wage and salary earners (as defined in paragraph 4) who receive 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 total earnings* refers to one week's earnings of employees for the reference period, before taxation and any other deductions (e.g. superannuation, board and lodging) have been made. Earnings comprise ordinary time earnings, over-award payments, overtime earnings; 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 and payments for leave taken during the reference period. 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 ordinary time earnings* refers to that part of weekly total earnings attributable to award, standard or agreed hours of work. Included in ordinary time earnings are 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 and payments for leave taken during the reference period.

12. *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 to the overall composition of the labour force such as variations in employment levels, occupation distribution and proportions of part-time, casual and junior employees. Statistics of average weekly earnings represent average gross (before tax) earnings of employees and do not relate to average award rates nor to the earnings of the 'average person'.

Comparability of results

13. For users who need a measure of the movement in earnings for a period which overlaps the September quarter 1981, Table 2 has been included which presents quarterly movements for the old (Payroll tax based) and current (Employer survey based) series linked to a common index base.

Reliability of estimates

14. 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 whether 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.

15. 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.

16. An example of the use of a standard error for the June quarter 1984 estimates is as follows. Table 1 shows the estimate of average weekly total earnings for all employees in Australia for the June quarter 1984 as being \$332.90. The estimated standard error associated with this figure is \$2.70. Therefore, there are about two chances in three that a full enumeration would give a figure in the range \$330.20 to \$335.60 and about nineteen chances in twenty that it would be in the range \$327.50 to \$338.30.

17. 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 \$2.10. The quarterly change estimate between the March quarter 1984 and the June quarter 1984 is \$11.60 (\$332.90 minus \$321.30). Therefore there are about two chances in three that a full enumeration would give a quarterly change figure in the range \$9.50 to \$13.70 and about nineteen chances in twenty that it would be in the range \$7.40 to \$15.80.

Related publications

18. 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)

Job Vacancies, Australia (6231.0)—issued quarterly

Overtime, Australia (6330.0)—issued quarterly

Employed Wage and Salary Earners, Australia (6248.0)—issued quarterly

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

The Labour Force, Australia (6203.0)—issued monthly

19. 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.

Symbols and other usages

- .. not applicable
- p preliminary

NOTE: The estimates of average weekly earnings are rounded to the nearest 10 cents.

R. J. CAMERON
Australian Statistician

TABLE 1. AVERAGE WEEKLY EARNINGS OF EMPLOYEES, AUSTRALIA

Quarter	Survey reference date	MALES			FEMALES			PERSONS		
		Full-time adults		All males	Full-time adults		All females	Full-time adults		All employees
		Weekly ordinary time earnings	Weekly total earnings	Weekly total earnings	Weekly ordinary time earnings	Weekly total earnings	Weekly total earnings	Weekly ordinary time earnings	Weekly total earnings	Weekly total earnings
—dollars—										
1981—										
September	14 August	283.20	306.80	283.30	230.60	236.70	190.30	267.00	284.80	247.20
December	23 October	295.90	322.80	296.00	239.10	245.90	193.00	278.50	299.00	255.60
1982—										
March	19 February	309.80	336.40	312.40	246.10	253.20	202.60	289.40	310.10	269.20
June	21 May	320.00	347.00	322.30	256.90	263.50	210.80	300.10	320.50	278.30
September	20 August	334.20	357.90	329.90	265.90	271.70	217.00	312.40	330.30	285.00
December	19 November	346.30	370.30	337.60	276.70	282.20	218.70	324.80	342.70	290.40
1983—										
March	18 February	350.50	370.30	341.00	280.90	286.20	225.30	328.60	343.70	295.40
June	20 May	353.40	375.00	343.30	281.80	288.20	226.70	330.80	347.30	297.00
September	19 August	357.10	379.80	349.70	283.80	289.90	228.30	333.50	350.80	300.80
December	18 November	368.90	394.10	362.00	297.40	303.90	237.20	346.00	365.10	311.30
1984—										
March	17 February	376.20	400.70	370.60	304.10	311.00	246.50	353.10	371.90	321.30
June p	18 May	387.80	415.70	383.60	316.30	324.00	256.60	364.90	386.30	332.90
—per cent—										
Quarterly change—										
1981—										
December		+4.5	+5.2	+4.5	+3.7	+3.9	+1.4	+4.3	+5.0	+3.4
1982—										
March		+4.7	+4.2	+5.5	+2.9	+3.0	+5.0	+3.9	+3.7	+5.3
June		+3.3	+3.2	+3.2	+4.4	+4.1	+4.0	+3.7	+3.4	+3.4
September		+4.4	+3.1	+2.4	+3.5	+3.1	+2.9	+4.1	+3.1	+2.4
December		+3.6	+3.5	+2.3	+4.1	+3.9	+0.8	+4.0	+3.8	+1.9
1983—										
March		+1.2	+0.0	+1.0	+1.5	+1.4	+3.0	+1.2	+0.3	+1.7
June		+0.8	+1.3	+0.7	+0.3	+0.7	+0.6	+0.7	+1.0	+0.5
September		+1.0	+1.3	+1.9	+0.7	+0.6	+0.7	+0.8	+1.0	+1.3
December		+3.3	+3.8	+3.5	+4.8	+4.8	+3.9	+3.7	+4.1	+3.5
1984—										
March		+2.0	+1.7	+2.4	+2.3	+2.3	+3.9	+2.1	+1.9	+3.2
June p		+3.1	+3.7	+3.5	+4.0	+4.2	+4.1	+3.3	+3.9	+3.6
—dollars—										
Standard errors(a)—										
1984—										
June										
level p		2.30	2.60	3.50	2.10	2.30	2.70	1.80	2.10	2.70
change p		2.00	2.40	2.70	1.60	1.80	1.90	1.50	1.90	2.10

(a) See paragraphs 14-17 of the Explanatory notes.

TABLE 2. AVERAGE WEEKLY EARNINGS AND INDEX NUMBERS OF EARNINGS:
PAYROLL TAX AND EMPLOYER SURVEY SERIES (SEPTEMBER QUARTER 1981 = 100), AUSTRALIA

Quarter	Weekly total earnings			
	Per employed male unit		All male employees	
	Seasonally adjusted			
	Payroll tax series		Employer survey series	
	\$	Index	\$	Index
1975—				
March	151.10	50.2	..	..
June	154.60	51.3	..	..
September	159.40	52.9	..	..
December	167.20	55.5	..	..
1976—				
March	170.10	56.5	..	..
June	179.40	59.6	..	..
September	184.60	61.3	..	..
December	188.10	62.5	..	..
1977—				
March	191.50	63.6	..	..
June	199.10	66.1	..	..
September	202.40	67.2	..	..
December	206.90	68.7	..	..
1978—				
March	211.40	70.2	..	..
June	216.00	71.7	..	..
September	220.90	73.4	..	..
December	222.20	73.8	..	..
1979—				
March	230.40	76.5	..	..
June	230.90	76.7	..	..
September	239.10	79.4	..	..
December	244.30	81.1	..	..
1980—				
March	250.90	83.3	..	..
June	258.60	85.9	..	..
September	270.20	89.7	..	..
December	278.10	92.4	..	..
1981—				
March	283.90	94.3	..	..
June	294.30	97.7	..	..
September	301.10	100.0	283.30	100.0
December	..	..	296.00	104.5
1982—				
March	..	..	312.40	110.3
June	..	..	322.30	113.8
September	..	..	329.90	116.4
December	..	..	337.60	119.2
1983—				
March	..	..	341.00	120.4
June	..	..	343.30	121.2
September	..	..	349.70	123.4
December	..	..	362.00	127.8
1984—				
March	..	..	370.60	130.8
June p	..	..	383.60	135.4

A method of calculating an approximation of the Employer survey series for quarters earlier than September 1981.

For reasons outlined both in the Explanatory notes (paragraphs 1-3) and the more detailed exposition given in *Information Paper* (6336.0) the Payroll tax and Employer survey series are not strictly comparable.

The following example, using estimates for Australia, is supplied to assist those users who need to calculate an approximate equivalent to the Employer survey series for quarters earlier than September 1981. Information is available on request to enable links to be made at State level.

Method of calculating the Average Weekly Earnings All Male Employees: **example** for June 1981

1. Average Weekly Earnings All Male Employees September 1981 (Employer survey series)	\$283.30
2. Index numbers of Payroll tax series: June 1981	97.7
	<u>100</u>
	97.7
3. June 1981 equivalent of Average Weekly Earnings All Male Employees. (1 x 2)	$(\$283.30 \times \frac{97.7}{100}) = \276.80

Because of the quite different conceptual and methodological bases of the two series and the fact that the link is only available for the September quarter 1981, extreme care needs to be taken in interpreting the earnings figure so derived.