

**AVERAGE WEEKLY EARNINGS, STATES AND AUSTRALIA, MAY 1989**

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**MAIN FEATURES**

Estimates of average weekly earnings for May 1989 and the respective changes over previous periods are shown below:

	<i>Full-time adult average weekly ordinary time earnings</i>		
	(\$)	Change (%)	
		<i>Feb. 1989 to May 1989</i>	<i>May 1988 to May 1989</i>
Males	530.40	+1.6	+7.9
Females	440.80	+2.2	+7.7
Persons	501.10	+1.8	+7.8

	<i>Full-time adult average weekly total earnings</i>		
	(\$)	Change (%)	
		<i>Feb. 1989 to May 1989</i>	<i>May 1988 to May 1989</i>
Males	576.60	+2.3	+8.3
Females	453.80	+2.4	+8.2
Persons	536.50	+2.3	+8.2

	<i>All employees average weekly total earnings</i>		
	(\$)	Change (%)	
		<i>Feb. 1989 to May 1989</i>	<i>May 1988 to May 1989</i>
Males	519.10	+1.5	+7.8
Females	339.00	+1.3	+7.2
Persons	442.20	+1.3	+7.3

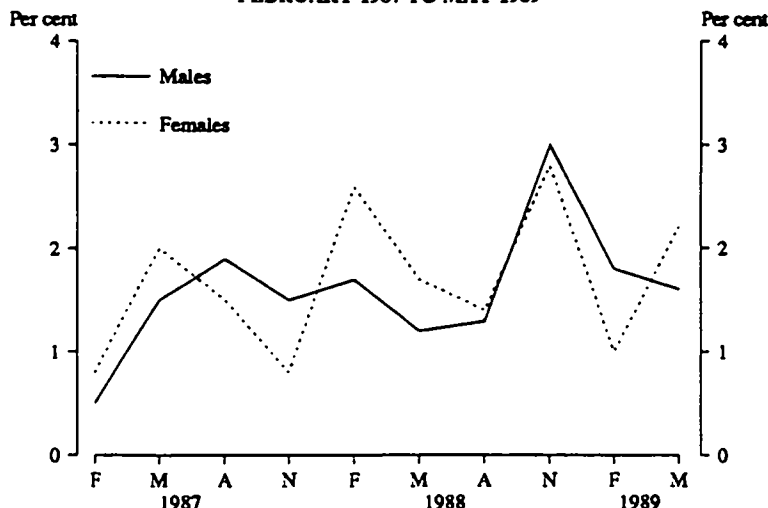
*Notes on the estimates*

The movements in all categories of earnings between February 1989 and May 1989 at the national level for both private and public sector employees are statistically significant, except average weekly total earnings for all female employees.

Average weekly earnings for May 1989 were influenced by:

- the continued flow through of the 3 per cent National Wage Case decision, awarded in August 1988. Supplementary information obtained during the survey (which should be regarded as indicative only) suggests that approximately 90 per cent of full-time adult employees had received the increase by the May survey reference date. About 80 per cent of full-time adult employees had received the 3 per cent increase by the February 1989 survey reference date.
- the \$10 per week National Wage Case decision awarded as a second instalment in the August 1988 decision and payable in March 1989. Supplementary information indicates that approximately 75 per cent of full-time adult employees had received this increase by the survey reference date.
- overtime earnings for full-time adult employees increasing at a faster rate than ordinary time

**DIAGRAM 1: QUARTERLY MOVEMENT IN AVERAGE WEEKLY ORDINARY TIME EARNINGS OF FULL-TIME ADULT EMPLOYEES, AUSTRALIA, FEBRUARY 1987 TO MAY 1989**



earnings, due mainly to an increase in overtime earnings for males.

All States had statistically significant movements for full-time adult earnings except the Northern Territory for full-time ordinary earnings and Western Australia for full-time adult total earnings.

The only State where overtime earnings have not moved at a faster rate than ordinary time earnings was Western Australia.

There are many factors which may give rise to increases in estimates of average weekly earnings (see paragraph 11 of Explanatory Notes). The major influence is increases to award rates of pay as a result of National Wage Case decisions. The National Wage Case decisions which have influenced the movement in average weekly earnings over the past 12 months are:

- second tier increases of up to 4 per cent, subject to terms specified in the National Wage Case decision, March 1987. Approximately 90 per cent of full-time adult employees had received this increase at the survey reference date. (As at May 1988 approximately 65 per cent of full-time adult employees had received this increase).
- the 3 per cent increase, awarded in August 1988.
- the \$10 per week increase, awarded August 1988 and payable in March 1989.

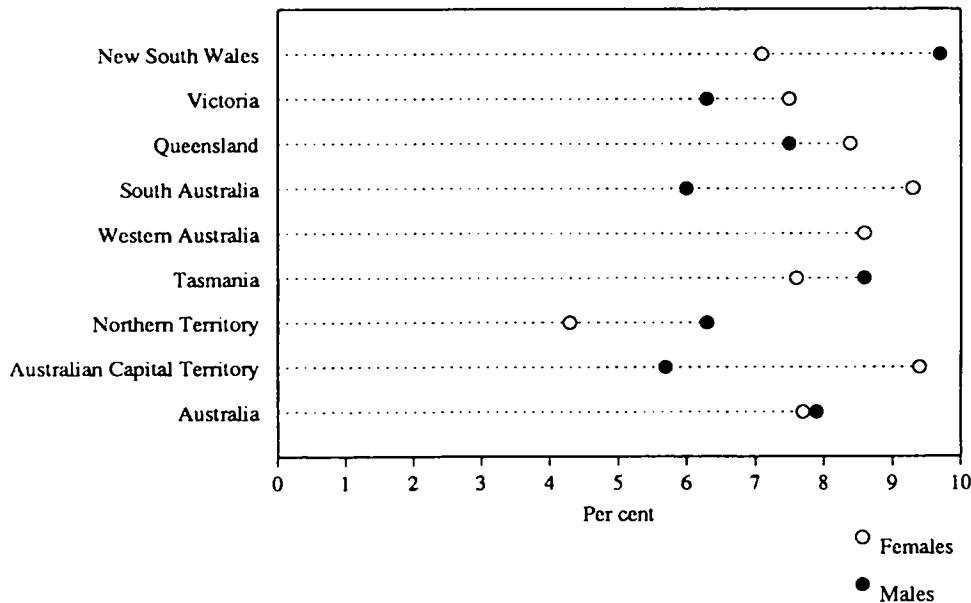
In the twelve months since the May 1988 reference date:

- average weekly ordinary time earnings of full-time adult employees have increased by 7.8 per cent.
- average weekly ordinary time earnings of full-time adult males have increased at a slightly higher rate (7.9 per cent) than for females (7.7 per cent). This is not the case in the public sector where female ordinary time earnings have increased at a faster rate (7.6 per cent) than males (6.7 per cent).
- average weekly ordinary time earnings of full-time adult employees have increased at a faster rate in the private sector (8.7 per cent) than for the public sector (6.9 per cent).
- States that have moved at a faster rate than the national average for full-time adult ordinary time earnings have been

New South Wales	9.0 per cent
Tasmania	8.2 per cent
Western Australia	8.0 per cent

Average weekly earnings may be affected significantly in some periods by changes in the composition of the employed labour force (see paragraph 3 of the Glossary).

DIAGRAM 2: ANNUAL MOVEMENT IN AVERAGE WEEKLY ORDINARY TIME EARNINGS OF FULL-TIME ADULT EMPLOYEES, BY STATE, MAY 1989



NOTES

The statistics of Average Weekly Earnings are compiled from data obtained from a sample survey of employers. Explanatory notes are published on page 9 this publication.

IAN CASTLES  
Australian Statistician

TABLE 1. AVERAGE WEEKLY EARNINGS OF EMPLOYEES, AUSTRALIA

Reference period - pay period ending on or before	MALES			FEMALES			PERSONS		
	Full-time adults		All males	Full-time adults		All females	Full-time adults		All employees
	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings
TOTAL EMPLOYEES									
- dollars -									
1987-									
20 February	454.40	487.70	444.50	375.70	384.10	291.00	429.60	455.10	381.30
15 May	461.30	497.40	450.90	383.00	393.10	298.90	436.20	464.00	387.30
21 August	470.30	504.50	457.00	388.90	398.20	302.30	444.20	470.50	392.50
20 November	477.50	516.30	470.00	392.00	401.90	306.50	450.10	479.70	401.80
1988-									
19 February	485.70	522.40	474.90	402.20	412.20	315.30	458.80	486.90	408.80
20 May	491.40	532.40	481.70	409.20	419.50	316.40	464.80	495.80	411.90
19 August	497.80	538.80	486.20	415.00	426.40	319.60	470.90	502.40	415.70
18 November	512.70	558.90	505.20	426.80	439.60	328.70	484.90	520.20	430.10
1989-									
17 February	521.90	563.70	511.60	431.30	443.30	334.80	492.30	524.30	436.30
19 May	530.40	576.60	519.10	440.80	453.80	339.00	501.10	536.50	442.20
- per cent -									
Change - Quarterly									
1987-									
February	0.5	-0.2	-0.4	0.8	0.5	1.2	0.6	0.0	0.2
May	1.5	2.0	1.4	2.0	2.4	2.7	1.5	2.0	1.6
August	1.9	1.4	1.3	1.5	1.3	1.1	1.8	1.4	1.3
November	1.5	2.3	2.8	0.8	0.9	1.4	1.3	2.0	2.4
1988-									
February	1.7	1.2	1.1	2.6	2.6	2.9	1.9	1.5	1.8
May	1.2	1.9	1.4	1.7	1.8	0.3	1.3	1.8	0.8
August	1.3	1.2	0.9	1.4	1.6	1.0	1.3	1.3	0.9
November	3.0	3.7	3.9	2.8	3.1	2.8	3.0	3.6	3.4
1989-									
February	1.8	0.9	1.3	1.0	0.9	1.8	1.5	0.8	1.4
May	1.6	2.3	1.5	2.2	2.4	1.3	1.8	2.3	1.3
Change - Annual									
1987-									
February	6.4	6.0	5.2	6.5	6.5	5.3	6.3	6.0	4.7
May	6.6	6.8	6.0	7.5	7.7	7.4	6.6	6.7	5.7
August	5.9	5.9	4.5	7.0	7.0	6.9	6.0	6.0	5.0
November	5.6	5.7	5.3	5.2	5.2	6.6	5.4	5.4	5.6
1988-									
February	6.9	7.1	6.8	7.1	7.3	8.3	6.8	7.0	7.2
May	6.5	7.0	6.8	6.8	6.7	5.8	6.5	6.9	6.3
August	5.8	6.8	6.4	6.7	7.1	5.7	6.0	6.8	5.9
November	7.4	8.2	7.5	8.9	9.4	7.2	7.7	8.5	7.0
1989-									
February	7.5	7.9	7.7	7.2	7.5	6.2	7.3	7.7	6.7
May	7.9	8.3	7.8	7.7	8.2	7.2	7.8	8.2	7.3
Standard errors(a)-									
1989-									
May									
Level	3.30	3.40	3.70	2.20	2.20	2.70	2.50	2.60	3.00
Change (quarterly)	2.20	2.20	2.30	2.00	2.00	2.00	1.80	1.80	2.00

(a) See paragraphs 14-18 of the Explanatory Notes.

TABLE 2. AVERAGE WEEKLY EARNINGS OF EMPLOYEES, SECTOR, AUSTRALIA

Reference period - pay period ending on or before	MALES			FEMALES			PERSONS		
	Full-time adults		All males	Full-time adults		All females	Full-time adults		All employees
	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings
PRIVATE SECTOR EMPLOYEES									
- dollars -									
1988-									
19 February	474.60	518.00	458.40	376.70	388.60	284.10	444.40	478.00	386.00
20 May	477.90	525.80	464.20	380.90	392.30	283.50	447.80	484.40	387.60
19 August	484.90	533.00	469.20	389.20	402.50	287.70	455.30	492.70	392.40
18 November	500.00	554.40	488.50	398.20	413.60	296.40	468.50	510.80	406.70
1989-									
17 February	512.10	561.10	496.20	402.60	417.10	301.70	477.70	515.90	412.80
19 May	520.30	573.30	503.10	412.20	427.00	305.10	486.70	527.80	418.60
- per cent -									
Change - Quarterly									
1988-									
February	1.8	1.1	0.5	2.9	2.9	2.4	2.0	1.5	1.2
May	0.7	1.5	1.3	1.1	1.0	-0.2	0.8	1.3	0.4
August	1.5	1.4	1.1	2.2	2.6	1.5	1.7	1.7	1.2
November	3.1	4.0	4.1	2.3	2.7	3.0	2.9	3.7	3.7
1989-									
February	2.4	1.2	1.6	1.1	0.9	1.8	2.0	1.0	1.5
May	1.6	2.2	1.4	2.4	2.4	1.1	1.9	2.3	1.4
Change - Annual									
1989-									
May	8.9	9.0	8.4	8.2	8.8	7.6	8.7	9.0	8.0
Standard errors(a)-									
1989-									
May									
Level	4.80	5.00	5.30	3.30	3.30	3.50	3.70	3.90	4.20
Change (quarterly)	3.20	3.30	3.30	2.90	3.00	2.50	2.60	2.70	2.80
PUBLIC SECTOR EMPLOYEES									
- dollars -									
1988-									
19 February	506.40	530.70	510.50	443.00	450.00	383.10	484.50	502.80	458.10
20 May	516.80	544.60	518.80	454.00	462.60	387.30	494.90	516.10	463.70
19 August	522.90	550.10	523.90	456.70	465.00	390.30	499.60	520.20	467.40
18 November	538.30	568.00	543.10	474.60	483.10	402.90	515.90	538.10	483.60
1989-									
17 February	542.10	569.00	547.50	480.70	488.60	415.10	520.40	540.60	492.10
19 May	551.30	583.60	556.60	488.70	498.70	417.70	528.90	553.20	497.10
- per cent -									
Change - Quarterly									
1988-									
February	1.7	1.3	2.3	2.2	2.1	4.3	1.8	1.5	3.1
May	2.0	2.6	1.6	2.5	2.8	1.1	2.2	2.6	1.2
August	1.2	1.0	1.0	0.6	0.5	0.8	1.0	0.8	0.8
November	3.0	3.2	3.7	3.9	3.9	3.2	3.3	3.4	3.5
1989-									
February	0.7	0.2	0.8	1.3	1.1	3.0	0.9	0.5	1.8
May	1.7	2.6	1.7	1.7	2.1	0.6	1.6	2.3	1.0
Change - Annual									
1989-									
May	6.7	7.2	7.3	7.6	7.8	7.8	6.9	7.2	7.2
Standard errors(a)-									
1989-									
May									
Level	1.60	1.60	1.80	1.40	1.40	2.80	1.20	1.20	1.80
Change (quarterly)	0.80	0.70	0.80	1.40	1.40	2.30	1.00	1.00	1.50

(a) See paragraphs 14-18 of the Explanatory Notes.

TABLE 3. AVERAGE WEEKLY EARNINGS OF EMPLOYEES, STATES AND TERRITORIES

Reference period - pay period ending on or before	MALES			FEMALES			PERSONS		
	Full-time adults		All males	Full-time adults		All females	Full-time adults		All employees
	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings
<b>NEW SOUTH WALES</b>	- dollars -								
<b>1988-</b>									
19 February	487.70	526.90	480.20	404.40	415.40	322.80	460.40	490.50	415.20
20 May	496.00	542.00	489.60	413.10	424.00	324.90	468.50	502.80	420.00
19 August	503.50	548.90	493.30	417.20	429.90	329.50	474.50	509.00	424.00
18 November	523.20	576.00	519.10	431.00	444.20	338.60	492.60	532.20	442.70
<b>1989-</b>									
17 February	532.50	576.70	524.20	437.50	450.90	346.20	501.10	535.10	449.50
19 May	544.20	593.60	535.70	442.60	456.40	348.90	510.40	548.00	456.30
<b>Change -</b>	- per cent -								
Quarterly	2.2	2.9	2.2	1.1	1.2	0.8	1.9	2.4	1.5
Annual	9.7	9.5	9.4	7.1	7.6	7.4	9.0	9.0	8.6
<b>Standard errors(a)-</b>	- dollars -								
Level	6.40	6.60	6.80	4.10	4.30	4.30	4.60	4.90	5.20
Change (quarterly)	4.50	4.40	4.20	4.00	4.10	3.30	3.80	4.00	3.60
<b>VICTORIA</b>									
<b>1988-</b>									
19 February	493.90	531.30	476.30	409.30	420.10	326.70	465.50	494.10	414.40
20 May	498.30	539.60	483.50	412.20	423.70	322.70	469.30	500.40	414.90
19 August	504.40	545.40	486.30	420.10	432.70	324.60	475.90	507.30	417.00
18 November	516.60	562.70	503.30	429.20	445.70	333.40	487.00	523.00	429.60
<b>1989-</b>									
17 February	528.40	571.20	512.20	430.80	444.60	336.50	494.90	527.70	435.10
19 May	529.50	576.90	517.00	443.00	458.00	341.90	500.40	536.90	442.20
<b>Change -</b>	- per cent -								
Quarterly	0.2	1.0	0.9	2.8	3.0	1.6	1.1	1.8	1.6
Annual	6.2	6.9	6.9	7.5	8.1	6.0	6.6	7.3	6.6
<b>Standard errors(a)-</b>	- dollars -								
Level	7.10	7.20	8.60	5.00	4.80	6.80	5.50	5.50	7.30
Change (quarterly)	4.20	4.20	5.10	3.80	3.80	4.80	2.60	2.40	4.30
<b>QUEENSLAND</b>									
<b>1988-</b>									
19 February	460.70	488.90	445.20	381.30	389.30	289.20	436.70	458.80	382.30
20 May	466.80	499.00	454.90	388.90	397.30	297.80	442.90	467.80	390.40
19 August	472.10	506.60	464.40	394.80	403.30	297.10	449.40	476.30	396.40
18 November	483.60	521.30	472.10	411.20	419.60	305.80	461.90	490.90	403.00
<b>1989-</b>									
17 February	488.70	523.50	472.60	411.90	420.20	312.30	465.00	491.60	406.50
19 May	501.80	542.80	481.10	421.50	432.20	314.40	476.90	508.50	411.30
<b>Change -</b>	- per cent -								
Quarterly	2.7	3.7	1.8	2.3	2.8	0.6	2.6	3.4	1.2
Annual	7.5	8.8	5.8	8.4	8.8	5.5	7.7	8.7	5.3
<b>Standard errors(a)-</b>	- dollars -								
Level	5.60	7.20	7.20	3.20	3.50	5.00	4.10	5.40	5.60
Change (quarterly)	5.00	5.50	4.80	3.90	4.20	3.20	4.20	4.70	3.90
<b>SOUTH AUSTRALIA</b>									
<b>1988-</b>									
19 February	462.30	489.80	448.20	391.40	399.50	299.60	441.70	463.50	386.70
20 May	466.40	493.90	444.30	404.90	413.40	299.90	449.20	471.40	384.90
19 August	469.10	500.30	451.90	409.00	418.90	305.80	452.10	477.40	391.70
18 November	479.40	516.10	476.30	421.10	432.20	314.40	463.90	493.80	411.60
<b>1989-</b>									
17 February	483.10	521.00	480.50	424.60	434.90	318.20	466.90	497.10	413.80
19 May	494.20	533.00	484.70	442.50	454.30	321.80	480.00	511.40	416.70
<b>Change -</b>	- per cent -								
Quarterly	2.3	2.3	0.9	4.2	4.5	1.2	2.8	2.9	0.7
Annual	6.0	7.9	9.1	9.3	9.9	7.3	6.9	8.5	8.2
<b>Standard errors(a)-</b>	- dollars -								
Level	5.50	6.30	7.20	4.30	4.40	6.10	4.30	5.00	6.30
Change (quarterly)	3.60	3.60	4.40	3.60	3.80	4.60	3.10	3.20	3.80

(a) See paragraphs 14-18 of the Explanatory Notes.

TABLE 3. AVERAGE WEEKLY EARNINGS OF EMPLOYEES, STATES AND TERRITORIES - continued

Reference period - pay period ending on or before	MALES			FEMALES			PERSONS		
	Full-time adults		All	Full-time adults		All	Full-time adults		All
	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings	Average weekly ordinary time earnings	Average weekly total earnings	Average weekly total earnings
<b>WESTERN AUSTRALIA</b>									
- dollars -									
1988-									
19 February	496.30	543.80	506.10	394.50	403.50	297.30	464.90	500.50	417.60
20 May	499.20	546.60	509.90	403.30	412.70	297.90	470.20	506.10	418.80
19 August	506.00	552.30	510.30	408.60	417.00	299.90	475.70	510.20	418.40
18 November	519.90	570.50	527.70	410.70	420.30	306.90	484.20	521.30	428.90
1989-									
17 February	532.60	581.80	542.20	424.00	434.20	318.90	497.80	534.50	443.80
19 May	542.20	591.40	543.70	437.90	447.50	330.20	507.60	543.70	447.80
Change -									
Quarterly	1.8	1.6	0.3	3.3	3.1	3.6	2.0	1.7	0.9
Annual	8.6	8.2	6.6	8.6	8.4	10.9	8.0	7.4	6.9
Standard errors(a)-									
Level	8.40	7.80	7.90	5.80	5.80	6.10	6.40	6.10	6.50
Change (quarterly)	5.40	5.70	6.30	4.90	4.40	6.20	4.30	4.70	6.10
<b>TASMANIA</b>									
1988-									
19 February	467.90	505.20	462.80	390.90	399.20	286.20	445.50	474.40	389.90
20 May	471.80	512.50	460.00	401.40	408.50	289.30	452.10	483.40	390.30
19 August	485.20	522.40	475.50	402.50	409.80	291.50	461.40	489.90	398.80
18 November	498.30	532.60	483.70	418.00	423.40	307.20	476.20	502.60	413.10
1989-									
17 February	505.80	539.20	494.70	415.70	422.30	303.50	479.40	504.90	415.50
19 May	512.50	551.50	504.80	432.00	439.00	308.90	489.20	518.80	420.30
Change -									
Quarterly	1.3	2.3	2.0	3.9	4.0	1.8	2.0	2.7	1.2
Annual	8.6	7.6	9.7	7.6	7.5	6.8	8.2	7.3	7.7
Standard errors(a)-									
Level	5.60	6.10	6.40	9.90	9.90	6.10	5.30	5.50	5.80
Change (quarterly)	3.30	4.40	5.30	2.90	3.10	4.20	2.50	3.00	3.20
<b>NORTHERN TERRITORY</b>									
1988-									
19 February	514.90	563.60	517.30	454.60	465.60	374.90	492.80	527.60	455.50
20 May	510.60	560.10	512.10	445.40	456.80	365.00	486.20	521.50	447.20
19 August	521.60	566.50	522.40	445.70	457.10	374.20	493.60	526.20	459.10
18 November	529.20	576.90	525.80	465.80	479.50	387.60	504.80	539.30	464.20
1989-									
17 February	538.70	577.90	536.30	461.50	476.80	397.50	508.90	538.90	475.10
19 May	542.80	601.60	546.20	464.50	477.90	399.10	513.40	555.10	483.30
Change -									
Quarterly	0.8	4.1	1.8	0.6	0.2	0.4	0.9	3.0	1.7
Annual	6.3	7.4	6.7	4.3	4.6	9.3	5.6	6.4	8.1
Standard errors(a)-									
Level	8.20	9.40	10.00	4.50	4.80	6.00	5.50	6.20	7.00
Change (quarterly)	5.20	6.40	6.80	4.20	4.00	6.20	4.20	4.80	6.50
<b>AUSTRALIAN CAPITAL TERRITORY</b>									
1988-									
19 February	571.00	596.80	541.50	440.10	447.10	357.30	519.90	538.40	457.30
20 May	578.10	610.50	554.90	446.40	456.10	361.90	527.00	550.60	464.50
19 August	577.60	608.10	540.80	458.50	468.30	371.30	531.60	554.10	464.40
18 November	599.00	625.30	554.00	476.30	484.90	388.00	552.50	572.10	479.80
1989-									
17 February	601.60	624.70	555.80	481.70	488.50	389.20	555.70	572.60	480.60
19 May	611.00	640.80	571.50	488.30	497.60	398.00	561.80	583.30	489.80
Change -									
Quarterly	1.6	2.6	2.8	1.4	1.9	2.3	1.1	1.9	1.9
Annual	5.7	5.0	3.0	9.4	9.1	10.0	6.6	5.9	5.4
Standard errors(a)-									
Level	7.10	6.70	11.30	4.30	3.90	9.60	6.00	5.90	8.60
Change (quarterly)	4.50	4.70	9.70	2.50	2.00	9.40	4.60	4.70	7.90

(a) See paragraphs 14-18 of the Explanatory Notes.

**APPENDIX A:  
GENERAL INCREASES IN AWARD WAGES**

The following table gives details of general increases in award wages as a result of recent wage hearings (e.g. indexation cases). More detailed information on wage determination in Australia is contained in *Year Book, Australia* (1301.0). Figures for earlier periods were published in *Labour Statistics, Australia, 1980* (6101.0) and in *Award Rates of Pay Indexes, Australia* (6312.0).

**GENERAL INCREASES IN AWARD WAGES — ADULTS, FEDERAL AND STATE AWARDS, ETC.**

<i>Date operative(a)</i>	<i>Increase</i>	<i>Comments</i>
1985 4 November	3.8 per cent	National Wage Case increase to all States(b). In Queensland the operative date was 11 November 1985.
1986 1 July	2.3 per cent	National Wage Case increase to all States(c). In Queensland the operative date was 7 July 1986.
1987 10 March	\$10.00	National Wage Case increase to all States. This is the first tier payment under the two tier wage fixing system. The decision provided for second tier increases, not exceeding 4 per cent of wages and salaries, subject to approval by the Conciliation and Arbitration Commission.
1988 5 February	\$6.00	National Wage Case increase to all States
September	3.0 per cent	National Wage Case increase to all States. This is the first part of the increase, which was not to be available before 1 September 1988.
1989 March	\$10.00	National Wage Case increase to all States. This is the second part of the increase, from the August 1988 National Wage Case, which was not to be available before 1 March 1989.

(a) Rates are generally operative from the first pay-period on or after the date shown, except where otherwise indicated in the comments. (b) In Queensland some awards were varied by 3.6 per cent only, while in Victoria and Queensland some awards received no increase in total wages. (c) Some awards received no increase.

## APPENDIX B:

## GLOSSARY

**Earnings**

1. *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, base rates of pay, overaward 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 overtime payments, retrospective pay, pay in advance, leave loadings, severance, termination and redundancy payments and other payments not related to the reference period.
2. *Weekly total earnings* of employees is equal to weekly ordinary time earnings plus weekly overtime earnings.
3. *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. Changes in 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.

**Employees**

4. *Employees* refers to all wage and salary earners (as defined in paragraphs 4 and 5 of the Explanatory Notes) who received pay for any part of the reference period.
5. *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.
6. *Adult employees* 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.

**Other**

7. *Reference period* for the survey refers to the last pay period ending on or before the third Friday of the middle month of the quarter. The reference date for the current survey is 19 May 1989.
8. *Sector*. Public sector includes local government authorities and all government departments, agencies and authorities created by, or reporting to the Commonwealth and State Parliaments. All remaining employees are classified as private sector.



## APPENDIX C: EXPLANATORY NOTES

### Introduction

1. This publication contains estimates of average weekly earnings for May 1989 based on information obtained from a sample survey of employers.

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 May 1989 were published on 10 August 1989 in *Average Weekly Earnings, Australia, May 1989, Preliminary* (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:

- members of the Australian permanent defence forces;
- employees of enterprises primarily engaged in agriculture, forestry, fishing and hunting;
- employees in private households employing staff;
- employees of overseas embassies, consulates, etc.;
- employees based outside Australia; and
- employees on workers' compensation who are not paid through the payroll.

5. Also excluded are the following persons who are not regarded as employees for the purposes of this survey:

- directors who are not paid a salary;
- proprietors/partners of unincorporated businesses; and
- self-employed persons such as subcontractors, owner/drivers, consultants and persons paid solely by commission without a retainer.

### Survey design

6. A sample of approximately 4,800 employers is selected from the ABS register of businesses to ensure adequate State and industry representation. The sample is updated each quarter to reflect changes in the ABS register of business units. These changes arise from the emergence of new businesses, takeovers and mergers, changes to industry classification, changes in the number of employees, and businesses which have ceased operations. Such updating of the register can contribute to changes in the estimates of average weekly earnings.

7. Recently the ABS has introduced new definitions and rules for recording units on the register with greater emphasis being given to the way organisations are structured and the type of data available from businesses' accounts. These changes should reduce respondent load and lead to improved data quality. In order to correctly apply these new rules, the ABS has commenced a program of visits to the largest private and public sector organisations in Australia to obtain up to date information

on their structure and operations. The outcome of these visits and the adoption of new units definitions may result in changes in the survey estimates, as outlined in paragraph 6 above. Amendment to the register is expected to be spread over the next several quarters.

8. 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, public/private, industry and size of employment and an equal probability sample is selected from each stratum.

### Industry classification

9. Since 1981 additional data items have been collected in the survey each November. Preliminary estimates of average weekly earnings for full-time adult employees classified by industry are included in the November issue of *Average Weekly Earnings, States and Australia* (6302.0). Final estimates are released in the subsequent publication, *Average Earnings and Hours of Employees, Australia* (6304.0).

10. Industry is classified according to the *Australian Standard Industrial Classification (ASIC) 1983 Edition, Volume 1 - The Classification* (1201.0).

### Comparability of results

11. When comparisons are made between period to period movements in average weekly ordinary time earnings (AWOTE) for full-time adults and movements in the Award Rates of Pay Indexes (ARPI) 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 overaward 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 1985 Survey of Employee Earnings and Hours and subject to reselection and rebasing 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 published in *Award Rates of Pay Indexes, Australia* (6312.0).

12. It is also important to recognise that whilst average employee earnings can be derived from the Survey of Employment and Earnings (SEE) published in *Employed Wage and Salary Earners, Australia* (6248.0), these average earnings will not be comparable with those produced from the Survey of Average Weekly Earnings (AWE). In the AWE survey, information is obtained relating to a specified pay period, the last pay period ending on or before the third Friday of the middle month of the calendar quarter. The SEE collects the sum of employee earnings paid in *all* pay periods ending in a calendar quarter including payments to employees which are excluded from the scope of the AWE survey such as retrospective pay, pay in advance, leave loadings and severance, termination and redundancy payments. Whilst the quarterly earnings produced by the SEE are affected by the varying number of pay periods from quarter to quarter the AWE results are unaffected because of the selection of a specified pay period in the middle of a quarter. The SEE earnings data are also more subject to seasonal variations, particularly in the December and March quarters, due to the incidence of holidays taken in January being paid in advance and the earnings being reported in December quarter figures.

#### Historical series

13. The series was introduced in August 1981 when it replaced the average weekly earnings series based principally on information from payroll tax returns. Revised estimates of average weekly earnings for the period August 1981 to November 1983 were included in *Average Weekly Earnings, States and Australia, March Quarter 1984* (6302.0) published on 12 July 1984. 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 (August 1981 = 100).

#### 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 estimates 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* (see Table 1 on Page 3) 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 is as follows. If the estimated average earnings was \$380.00 with a standard error of \$2.00, then there would be about two chances in three that a full enumeration would have given an estimate in the range \$378.00 to \$382.00 and about nineteen chances in twenty that it would be in the range \$376.00 to \$384.00.

17. An example of the use of a standard error for a quarterly change estimate is as follows. If the estimated standard error for a quarterly change estimate of average weekly earnings was \$1.00 and the quarterly change estimate between two quarters was \$1.50, then there would be about two chances in three that a full enumeration would have given a quarterly change estimate in the range +\$0.50 to +\$2.50 and about nineteen chances in twenty that it would be in the range -\$0.50 to +\$3.50.

18. Quarterly movements in estimates of average weekly earnings are considered to be statistically significant where they exceed two standard errors.

#### Related publications

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

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

*Distribution and Composition of Employee Earnings and Hours, Australia* (6306.0)—issued annually

*Job Vacancies, Australia* (6231.0)—issued quarterly

*Overtime, Australia* (6330.0)—issued quarterly

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

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

*Occasional Paper No. 1986/1: Statistics on Wages, Earnings, Income and Labour Costs—A Guide to Their Concepts, Measurement and Usage*

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

*The Labour Force, Australia* (6203.0)—issued monthly.

20. 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

21. 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, floppy disk, computer printout or clerically extracted tabulation. Generally, a charge is made for providing unpublished information. In-

quiries should be made to Information Services in the nearest ABS office.

#### Symbols and other usages

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

23. Percentage changes are calculated on the actual values and may differ from calculations based on rounded estimates.

#### Forthcoming Issues

24. The following table shows the dates on which catalogues 6301.0 and 6302.0 are expected to be released.

	ISSUE	EXPECTED RELEASE DATE
1989	August 6301.0	16 November 1989
	August 6302.0	14 December 1989
	November 6301.0	1 March 1990
	November 6302.0	29 March 1990

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**VIATEL.** Key \*656# for selected current economic, social and demographic statistics.

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