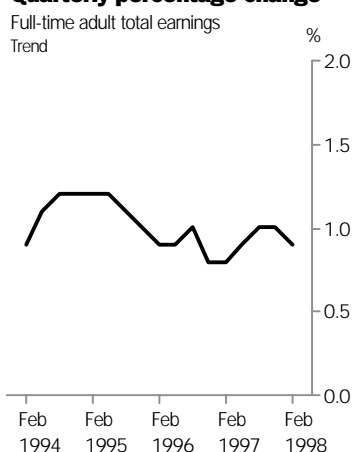


AVERAGE WEEKLY EARNINGS

AUSTRALIA
PRELIMINARY

EMBARGO: 11:30AM (CANBERRA TIME) THURS 30 APR 1998

Quarterly percentage change



FEBRUARY 1998 KEY FIGURES

ESTIMATES	Feb 98 \$	quarterly % change	annual % change
Trend – persons			
Full-time adult ordinary time earnings	720.10	1.0	4.1
Full-time adult total earnings	760.10	0.9	3.8
All employees total earnings	596.90	1.0	3.7
Seasonally adjusted – persons			
Full-time adult ordinary time earnings	720.30	1.3	3.9
Full-time adult total earnings	760.50	1.3	3.8
All employees total earnings	595.30	0.3	3.0
Original – persons			
Full-time adult ordinary time earnings	721.30	1.4	3.9
Full-time adult total earnings	760.70	1.0	3.8
All employees total earnings	598.90	1.1	3.0

FEBRUARY 1998 KEY POINTS

TREND ESTIMATES

- Average earnings of all categories of employees have continued to grow during the three months to February 1998.
- Full-time adult ordinary time earnings for males and for females each rose by 4.3% in the twelve months to February 1998.
- In the twelve months to February 1998, full-time adult total earnings rose 4.2% for females and 3.9% for males.

- For further information about these and related statistics, contact Glynis Franklin-Orrrell on 08 9360 5304, or any ABS Office.

NOTES

FORTHCOMING ISSUES

<i>ISSUE</i>	<i>EXPECTED RELEASE DATE</i>
May 1998	23 July 1998
August 1998	29 October 1998

CHANGES IN THIS ISSUE

A reanalysis of seasonal adjustment factors has been undertaken for February 1998. As a result, some previously published seasonally adjusted and trend estimates have been revised. See paragraphs 21 and 24 of the Explanatory Notes.

NOTES ON ESTIMATES

Movements in average weekly earnings can be affected by both changes in the level of earnings per employee and changes in the composition of the labour force. For example, changes in the proportions of full-time, part-time, casual and junior employees and variations in the distribution of occupations can affect movements in earnings series. Refer to paragraphs 8 and 9 of the Explanatory Notes.

SAMPLING ERRORS

For further information on sampling errors see paragraphs 15-19 of the Explanatory Notes.

STANDARD ERRORS

	<i>February 1998</i>	
	<i>Level</i>	<i>Quarterly change</i>
Males	\$	\$
Full-time adult ordinary time earnings	5.90	4.70
Full-time adult total earnings	6.40	4.90
All males total earnings	6.80	6.90
Females		
Full-time adult ordinary time earnings	4.20	4.30
Full-time adult total earnings	4.30	4.40
All females total earnings	4.90	3.50
Persons		
Full-time adult ordinary time earnings	4.40	3.80
Full-time adult total earnings	4.70	4.00
All employees total earnings	5.20	4.60

W. McLennan
Australian Statistician

1

AVERAGE WEEKLY EARNINGS: Trend

Reference period- pay period ending on or before	MALES.....			FEMALES.....			PERSONS.....		
	Full-time adult ordinary time earnings	Full-time adult total earnings	All males total earnings	Full-time adult ordinary time earnings	Full-time adult total earnings	All females total earnings	Full-time adult ordinary time earnings	Full-time adult total earnings	All employees total earnings
DOLLARS									
1996									
15 November	728.00	784.40	680.20	609.40	624.10	450.00	685.40	726.80	572.40
1997									
21 February	735.20	790.80	684.20	615.50	629.80	453.70	691.90	732.50	575.70
16 May	743.40	798.60	689.90	620.80	635.00	457.80	698.50	738.80	580.00
15 August	751.60	806.90	697.30	627.20	641.60	462.20	705.70	745.80	585.40
21 November	759.30	814.70	705.60	634.50	649.10	466.50	712.90	753.10	591.10
1998									
20 February	766.80	822.00	714.10	641.60	656.30	470.70	720.10	760.10	596.90
PERCENTAGE CHANGE (from previous quarter)									
1996									
15 November	0.9	0.7	0.6	1.2	1.2	1.0	1.0	0.8	0.7
1997									
21 February	1.0	0.8	0.6	1.0	0.9	0.8	0.9	0.8	0.6
16 May	1.1	1.0	0.8	0.9	0.8	0.9	1.0	0.9	0.8
15 August	1.1	1.0	1.1	1.0	1.0	1.0	1.0	1.0	0.9
21 November	1.0	1.0	1.2	1.2	1.2	0.9	1.0	1.0	1.0
1998									
20 February	1.0	0.9	1.2	1.1	1.1	0.9	1.0	0.9	1.0
PERCENTAGE CHANGE (from corresponding quarter of previous year)									
1996									
15 November	3.7	3.4	2.8	4.5	4.5	4.0	3.9	3.7	3.2
1997									
21 February	3.8	3.3	2.6	4.8	4.8	4.0	4.0	3.6	2.9
16 May	4.0	3.4	2.7	4.5	4.4	3.8	4.0	3.5	2.8
15 August	4.2	3.6	3.2	4.2	4.0	3.7	4.0	3.4	3.0
21 November	4.3	3.9	3.7	4.1	4.0	3.7	4.0	3.6	3.3
1998									
20 February	4.3	3.9	4.4	4.3	4.2	3.7	4.1	3.8	3.7

AVERAGE WEEKLY EARNINGS: **Seasonally Adjusted**

Reference period- pay period ending on or before	MALES.....			FEMALES.....			PERSONS.....		
	Full-time adult ordinary time earnings	Full-time adult total earnings	All males total earnings	Full-time adult ordinary time earnings	Full-time adult total earnings	All females total earnings	Full-time adult ordinary time earnings	Full-time adult total earnings	All employees total earnings
DOLLARS									
1996									
15 November	727.40	785.20	679.00	612.20	627.40	449.10	685.80	728.30	570.90
1997									
21 February	736.90	791.10	686.20	614.50	628.20	454.70	693.00	732.60	578.00
16 May	739.80	795.10	688.50	619.40	633.80	457.00	695.40	735.90	578.30
15 August	755.40	811.70	695.90	628.60	643.00	461.70	708.80	749.50	584.40
21 November	757.80	812.20	708.00	633.40	648.10	468.20	711.20	750.90	593.50
1998									
20 February	766.40	822.00	712.80	642.20	656.70	469.50	720.30	760.50	595.30
PERCENTAGE CHANGE (from previous quarter)									
1996									
15 November	0.8	0.9	0.5	1.9	1.9	0.6	1.1	1.1	0.4
1997									
21 February	1.3	0.8	1.1	0.4	0.1	1.3	1.1	0.6	1.3
16 May	0.4	0.5	0.3	0.8	0.9	0.5	0.3	0.4	0.1
15 August	2.1	2.1	1.1	1.5	1.5	1.0	1.9	1.8	1.0
21 November	0.3	0.1	1.7	0.8	0.8	1.4	0.3	0.2	1.6
1998									
20 February	1.1	1.2	0.7	1.4	1.3	0.3	1.3	1.3	0.3
PERCENTAGE CHANGE (from corresponding quarter of previous year)									
1996									
15 November	3.3	3.4	2.5	5.3	5.2	3.9	3.9	3.8	2.8
1997									
21 February	4.3	3.5	3.1	4.5	4.4	4.2	4.3	3.7	3.4
16 May	3.5	2.8	2.3	4.4	4.4	3.7	3.5	3.0	2.4
15 August	4.7	4.3	3.0	4.6	4.4	3.4	4.5	4.1	2.7
21 November	4.2	3.4	4.3	3.5	3.3	4.3	3.7	3.1	4.0
1998									
20 February	4.0	3.9	3.9	4.5	4.5	3.2	3.9	3.8	3.0

AVERAGE WEEKLY EARNINGS: Original

Reference period- pay period ending on or before	MALES.....			FEMALES.....			PERSONS.....		
	Full-time adult ordinary time earnings	Full-time adult total earnings	All males total earnings	Full-time adult ordinary time earnings	Full-time adult total earnings	All females total earnings	Full-time adult ordinary time earnings	Full-time adult total earnings	All employees total earnings
DOLLARS									
1996									
15 November	727.00	787.90	679.80	611.90	627.50	447.10	685.60	730.20	570.00
1997									
21 February	738.00	791.20	688.70	615.60	628.80	457.80	694.10	732.90	581.60
16 May	740.70	795.80	687.10	620.30	634.80	457.40	696.60	736.80	577.80
15 August	753.60	808.00	693.80	626.90	641.20	460.20	706.60	746.10	582.20
21 November	757.50	815.20	709.10	633.20	648.30	466.10	711.20	753.10	592.60
1998									
20 February	767.50	821.90	715.40	643.20	657.30	472.60	721.30	760.70	598.90
PERCENTAGE CHANGE (from previous quarter)									
1996									
15 November	1.0	1.7	0.9	2.1	2.2	0.4	1.3	1.8	0.6
1997									
21 February	1.5	0.4	1.3	0.6	0.2	2.4	1.2	0.4	2.0
16 May	0.4	0.6	-0.2	0.8	0.9	-0.1	0.4	0.5	-0.6
15 August	1.7	1.5	1.0	1.1	1.0	0.6	1.4	1.3	0.8
21 November	0.5	0.9	2.2	1.0	1.1	1.3	0.6	0.9	1.8
1998									
20 February	1.3	0.8	0.9	1.6	1.4	1.4	1.4	1.0	1.1
PERCENTAGE CHANGE (from corresponding quarter of previous year)									
1996									
15 November	3.4	3.5	2.6	5.4	5.3	4.0	3.9	3.9	2.8
1997									
21 February	4.2	3.4	3.1	4.5	4.4	4.2	4.3	3.6	3.4
16 May	3.5	2.8	2.3	4.4	4.4	3.7	3.6	3.0	2.4
15 August	4.7	4.3	3.0	4.6	4.4	3.4	4.4	4.0	2.7
21 November	4.2	3.5	4.3	3.5	3.3	4.3	3.7	3.1	4.0
1998									
20 February	4.0	3.9	3.9	4.5	4.5	3.2	3.9	3.8	3.0

EXPLANATORY NOTES

INTRODUCTION

1 This publication contains preliminary estimates of average weekly earnings for February 1998 based on information obtained from a sample survey of employers. Final estimates will be published in *Average Weekly Earnings, States and Australia, February 1998* (Cat. no. 6302.0).

SCOPE

2 All wage and salary earners who received pay for the reference period are represented in the Survey of Average Weekly Earnings (AWE), except:

- members of the Australian permanent defence forces;
- employees of enterprises primarily engaged in agriculture, forestry and fishing;
- 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.

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

- casual employees who did not receive pay during the reference period;
- employees on leave without pay who did not receive pay during the reference period;
- employees on strike, or stood down, who did not receive pay during the reference period;
- directors who are not paid a salary;
- proprietors/partners of unincorporated businesses;
- self-employed persons such as subcontractors, owner/drivers, consultants; and
- persons paid solely by commission without a retainer.

SURVEY DESIGN

4 A sample of approximately 5,000 employer units is selected from the ABS Business Register to ensure adequate State and industry representation. The sample is updated each quarter to reflect changes in the ABS register of businesses. 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.

5 The statistical unit for the survey comprises all activities of an employer in a particular State or Territory. Each statistical unit is classified to an industry which reflects the predominant activity of the business in the State or Territory. Prior to the August 1996 survey, in a small number of cases where a business had a significant number of employees in more than one industry, a separate statistical unit was created for each industry. This practice ceased as from the August 1996 survey. This change in procedures has minimal effect on the average weekly earnings estimates. The statistical units are stratified by State, sector, industry and employment size, and an equal probability sample is selected from each stratum.

6 Since February 1992, survey data for a number of Commonwealth Government and ACT Government departments have been collected electronically. From November 1993, survey data for a number of Northern Territory Government departments and agencies have also been collected electronically.

SURVEY DESIGN CHANGES

7 From August 1994, the industrial classification used in the design of the AWE Survey is the Australian and New Zealand Standard Industrial Classification (ANZSIC), replacing the Australian Standard Industrial Classification (ASIC) used previously. For further information see paragraphs 19 to 21 of the Explanatory Notes in the August 1994 issue of this publication.

EXPLANATORY NOTES

NOTES ON ESTIMATES

8 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 number of employees. 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 employed wage and salary earner segment of the labour force.

9 There are several aspects which can contribute to compositional changes such as variations in the proportions of full-time, part-time, casual and junior employees, variations in the occupational distribution within and across industries, variations in the distribution of employment between industries and variations in the proportion of male and female employees. Such effects may apply differently within the different States and Territories, and over time.

10 Estimates of average weekly earnings are rounded to the nearest 10 cents.

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

COMPARABILITY OF RESULTS

12 It is important to recognise that whilst average employee earnings can be derived from the Survey of Employment and Earnings (SEE) published in *Wage and Salary Earners, Australia* (Cat. no. 6248.0), these average earnings will not be comparable with those produced from the AWE Survey. 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.

13 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

14 The AWE 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* (Cat. no. 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 = 100.0).

RELIABILITY OF ESTIMATES

15 As the estimates in this publication are based on information relating to a sample of employers rather than a full enumeration, they are subject to sampling variability. That is, they may differ from the 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.

EXPLANATORY NOTES

RELIABILITY OF ESTIMATES

continued

16 The sampling error associated with any estimate can be estimated from the sample results. One measure of sampling error is given by the *standard error* which indicates the degree to which an estimate may vary from the value which would have been obtained from a full enumeration (the 'true figure'). There are about two chances in three that a sample estimate differs from the true value by less than one standard error, and about nineteen chances in twenty that the difference will be less than two standard errors.

17 An example of the use of a standard error is as follows. If the estimated average earnings was \$500.00 with a standard error of \$4.00, then there would be about two chances in three that a full enumeration would have given an estimate in the range \$496.00 to \$504.00 and about nineteen chances in twenty that it would be in the range \$492.00 to \$508.00.

18 An example of the use of a standard error for a quarterly change estimate is as follows. If the estimate of quarterly change between two quarters was \$1.50 and the standard error on this estimate was \$1.00, 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.

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

SEASONAL ADJUSTMENT

20 Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences on the series can be more clearly recognised. Seasonal adjustment does not aim to remove the irregular or non-seasonal influences which may be present in any particular week. Influences that are volatile or unsystematic can still make it difficult to interpret the movement of the series even after adjustment for seasonal variation. This means that quarter-to-quarter movements of seasonally adjusted estimates may not be reliable indicators of trend behaviour.

21 The series have been seasonally adjusted from September 1983 and the historical series can be made available on request. The seasonal factors are reviewed annually to take account of each additional year's original data. The review takes place for the February reference period each year.

22 Details about the method of seasonal adjustment of these series are available on request.

TREND ESTIMATES

23 The ABS considers that trend estimates provide a more reliable guide to the underlying direction of the data, and are more suitable than either the seasonally adjusted or original estimates for most business decisions and policy advice.

24 The trend estimates in this publication, obtained by dampening out the irregular component from the seasonally adjusted series, are calculated using a centred 7-term Henderson moving average of the seasonally adjusted series. Estimates for the three most recent quarters cannot be calculated using this centred average method; instead an asymmetric average is used. This can lead to revisions in the trend estimates for the last three quarters when data become available for later quarters. Revisions of trend estimates will also occur with revisions to the original data and re-estimation of seasonal adjustment factors.

25 If a series is highly volatile then the trend estimates will be subject to greater revision for the latest few quarters as data become available. However, it is important to note that this does not make the trend series inferior to the seasonally adjusted or original series. In some cases the effect of the irregular component on overall movements will remain in the seasonally adjusted and the original estimates but not in the trend series.

EXPLANATORY NOTES

TREND ESTIMATES *continued*

26 For more information, see *A Guide to Interpreting Time Series – Monitoring ‘Trends’: an Overview* (Cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on 06 252 6345.

27 Two feature articles which have appeared in the ABS monthly publication *Australian Economic Indicators* (Cat. no. 1350.0) may also be of interest:

- Picking Turning Points in the Economy (April 1991)
- Smarter Data Use (March 1992).

FURTHER INFORMATION

28 Background information about the average weekly earnings series is provided in *Information Paper: New Statistical Series: Employment, Average Weekly Earnings, Job Vacancies and Overtime* (Cat. no. 6256.0) published 21 June 1984, copies of which are available on request.

RELATED PUBLICATIONS

29 Users may also wish to refer to the following publications which are available from ABS Bookshops:

- *Average Weekly Earnings, States and Australia* (Cat. no. 6302.0) – issued quarterly
- *Employee Earnings and Hours, Australia* (Cat. no. 6306.0) – issued biennially
- *Wage Cost Index, Australia* (Cat. no. 6345.0) – issued quarterly
- *Job Vacancies and Overtime, Australia* (Cat. no. 6354.0) – issued quarterly
- *Wage and Salary Earners, Australia* (Cat. no. 6248.0) – issued quarterly
- *Information Paper: New Statistical Series: Employment, Average Weekly Earnings, Job Vacancies and Overtime* (Cat. no. 6256.0)
- *Average Weekly Earnings, Australia 1941–1990* (Cat. no. 6350.0)
- *Occasional Paper No 1986/1: Statistics on Wages, Earnings, Income and Labour Costs – A Guide to Their Concepts, Measurement and Usage*
- *The Labour Force, Australia* (Cat. no. 6203.0) – issued monthly
- *Labour Force Projections, Australia 1992-2005* (Cat. no. 6260.0)
- *Weekly Earnings of Employees (Distribution), Australia* (Cat. no. 6310.0.40.001) – standard data service

30 Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (Cat. no. 1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

UNPUBLISHED STATISTICS

31 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. Inquiries should be made to Glynis Franklin-Orell on 08 9360 5304 or Information Services in the nearest ABS office.

SYMBOLS AND OTHER USAGES

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASIC	Australian Standard Industrial Classification
AWE	Average Weekly Earnings
AWOTE	Average Weekly Ordinary Time Earnings
SEE	Survey of Employment and Earnings

GLOSSARY

Adult employees	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.
Average Weekly Earnings	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 number of employees. 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 employed wage and salary earner segment of the labour force. There are several aspects which can contribute to compositional changes such as variations in the proportions of full-time, part-time, casual and junior employees, variations in the occupational distribution within and across industries, variations in the distribution of employees between industries and variations in the proportions of males and females.
Employees	Employees refer to all wage and salary earners (as defined in paragraphs 2 and 3 of the Explanatory Notes) who received pay for any part of the reference period.
Full-time employees	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.
Reference period	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. Where a pay period is fortnightly or monthly, etc., the employer is requested to report only one week's proportion. The reference date for the current survey is 20 February 1998.
Sector	Public sector includes all local government authorities and government departments, agencies and authorities created by, or reporting to the Commonwealth and State Parliaments. All remaining employees are classified as private sector.
Weekly ordinary time earnings	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, workplace and enterprise bargaining payments, and other agreed base rates of pay, over award and overagreed 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; payment 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, terminations and redundancy payments, and other payments not related to the reference period.
Weekly total earnings	Weekly total earnings of employees is equal to weekly ordinary time earnings plus weekly overtime earnings.

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