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OVERTIME, AUSTRALIA, NOVEMBER 1987

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MAIN FEATURES

In the November 1987 survey week, average weekly overtime hours paid for were 1.46 hours per employee, 19.7 per cent higher than the August 1987 average of 1.22 hours and 13.2 per cent higher than the November 1986 average of 1.29 hours.

Average weekly overtime hours per employees working overtime, and the percentage of employees working overtime, also show significant increases since August 1987 and November 1986.

These are the highest levels for overtime since the commencement of the current survey methodology in November 1983. The increases in overtime occurred in all States and most industries.

EXPLANATORY NOTES

Introduction

This publication contains estimates of overtime based on information obtained from a sample survey of employers.

2. Background information about the overtime 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.

Scope of the survey

3. 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.

4. 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

5. A sample of approximately 4,300 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, industry and size of employment and a simple random sample is selected from each stratum.

Definitions

6. *Reference period* for the survey refers to the last pay period ending on or before the third Friday of the middle month of the quarter. The reference date for the current survey is 20 November 1987.

7. *Overtime* is time worked in excess of award, standard or agreed hours of work for which payment is received. Excluded is any overtime for which employees would not receive payment, e.g. unpaid overtime worked by managerial, executive, etc., staff, normal shiftwork and standard hours paid for at penalty rates.

8. *Overtime hours* represent the number of hours of overtime paid for. Respondents are instructed not to convert overtime hours to their ordinary time equivalent. For example, 100 hours of overtime paid for at time and a half and 20 hours at double time would be counted as 120 hours, not 190.

9. *Average hours of overtime per employee working overtime* is calculated by dividing total overtime hours paid for in a particular group (e.g. industry, State or Territory) by the number of employees who were paid for overtime in the same group.

10. *Average hours of overtime per employee in the survey* is calculated by dividing total overtime hours paid for in a particular group by the total number of employees in the same group (including those who were not paid for any overtime).

11. Employees refers to all wage and salary earners (as defined in paragraph 3) who received pay for any part of the reference period.

Historical series

12. The series was introduced in November 1983 when it replaced the overtime series based principally on information from payroll tax returns. Estimates contained in this publication are not strictly comparable with those obtained prior to November 1983.

Reliability of estimates

13. 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.

14. 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.

15. An example of the use of a standard error is as follows. If the estimated average overtime hours per employee were 1.25 with a standard error of 0.05 then there would be about two chances in three that a full enumeration would have given a figure in the range 1.20 to 1.30 and about nineteen chances in twenty that it would be in the range 1.15 to 1.35.

16. 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 overtime hours was 0.03 hours and the change between two quarters was 0.05 hours, then there would be about two chances in three that a full enumeration would have given a quarterly change estimate in the range +0.02 to +0.08 and about nineteen chances in twenty that it would be in the range -0.01 to +0.11.

Industry classification

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

Seasonal Factors

18. Overtime figures at different dates may be affected by seasonal influences. Publication of seasonally adjusted figures will not be possible until results of surveys for several years are available.

Related publications

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

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

Average Weekly Earnings, States and Australia (6302.0)—issued quarterly

Job Vacancies, Australia (6231.0)—issued quarterly

The Labour Force, Australia (6203.0)—issued monthly

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

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, computer print-out, clerically-extracted tabulation. Generally, a charge is made for providing unpublished information. Inquiries should be made to the officer whose name appears in the *Phone Inquiries* section of the Inquiries box at the front of this publication, or to Information Services in the nearest ABS Office.

Symbols and other usages

- * subject to sampling variability too high for most practical purposes

IAN CASTLES
Australian Statistician

TABLE 1. OVERTIME: STATES AND TERRITORIES

<i>Reference period— pay period ending on or before</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>A.C.T.</i>	<i>Aust.</i>
AVERAGE WEEKLY OVERTIME HOURS PER EMPLOYEE(a)									
1986—									
15 August	1.12	1.22	1.18	1.08	1.10	1.14	1.78	0.98	1.16
21 November	1.19	1.40	1.36	1.27	1.21	1.46	1.95	0.99	1.29
1987—									
20 February	1.11	1.38	1.16	1.01	1.13	1.46	1.76	0.91	1.19
15 May	1.19	1.41	1.14	0.97	1.30	1.31	1.60	0.73	1.23
21 August	1.19	1.45	1.11	0.94	1.14	1.19	1.77	0.75	1.22
20 November	1.45	1.69	1.29	1.11	1.55	1.32	1.66	0.99	1.46
Standard error(b)	0.08	0.08	0.08	0.06	0.17	0.08	0.21	0.05	0.04
AVERAGE WEEKLY OVERTIME HOURS PER EMPLOYEE WORKING OVERTIME(a)									
1986—									
15 August	6.57	6.92	6.54	5.67	6.88	6.67	8.14	6.54	6.62
21 November	6.73	7.19	6.96	6.46	6.93	7.30	8.83	6.41	6.92
1987—									
20 February	6.69	7.26	6.45	6.23	6.72	7.57	8.68	6.54	6.83
15 May	6.58	7.42	6.32	6.14	7.00	6.87	8.49	5.26	6.79
21 August	6.34	7.38	6.27	6.06	6.62	6.69	8.95	5.67	6.66
20 November	7.15	7.60	6.89	6.33	8.12	7.07	8.64	6.54	7.27
Standard error(b)	0.16	0.19	0.26	0.26	0.57	0.23	0.93	0.23	0.10
PERCENTAGE OF EMPLOYEES WORKING OVERTIME(a)									
1986—									
15 August	17.08	17.69	18.01	19.09	16.00	17.06	21.84	14.94	17.48
21 November	17.76	19.51	19.49	19.74	17.44	19.93	22.08	15.49	18.68
1987—									
20 February	16.59	18.96	18.01	16.24	16.75	19.23	20.28	14.00	17.46
15 May	18.04	19.02	18.11	15.85	18.52	19.02	18.85	13.83	18.11
21 August	18.74	19.64	17.68	15.48	17.21	17.74	19.81	13.26	18.26
20 November	20.23	22.27	18.70	17.53	19.14	18.65	19.19	15.10	20.05
Standard error(b)	0.92	0.87	0.74	0.87	1.19	1.21	1.98	0.92	0.44

(a) For definitions see paragraphs 6 to 11. (b) Standard error for latest level estimate, and an approximate measure of the standard error of movement between the latest two survey results. See paragraphs 13 to 16.

TABLE 2. AVERAGE WEEKLY OVERTIME HOURS PER EMPLOYEE(a): MANUFACTURING

<i>Reference period— pay period ending on or before</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>A.C.T.</i>	<i>Aust.</i>
1986—									
15 August	2.53	2.41	1.97	1.77	2.08	1.87	(b)3.29	(b)2.46	2.30
21 November	2.70	3.00	2.27	2.54	2.45	2.88	2.93	(b)2.40	2.73
1987—									
20 February	2.28	3.12	2.17	2.28	*	2.75	3.06	(b)2.85	2.56
15 May	2.56	3.09	2.28	2.10	2.65	2.47	(b)2.62	1.21	2.67
21 August	2.34	3.11	2.18	1.97	1.89	2.02	2.61	1.71	2.51
20 November	2.84	3.48	2.65	2.50	2.79	2.42	2.97	1.56	2.99
Standard error(c)	0.29	0.18	0.18	0.19	0.44	0.23	0.37	0.10	0.13

(a) For definitions see paragraphs 6 to 11. (b) Relative standard error greater than 20 per cent but less than 30 per cent. (c) Standard error for latest level estimate, and an approximate measure of the standard error of movement between the latest two survey results. See paragraphs 13 to 16.

TABLE 3. OVERTIME BY INDUSTRY

Industry	Reference period — pay period ending on or before						Standard error (a)
	1986			1987			
	15 August	21 November	20 February	15 May	21 August	20 November	
AVERAGE WEEKLY OVERTIME HOURS PER EMPLOYEE(b)							
Mining	4.46	4.12	4.28	4.14	3.75	4.00	0.59
Manufacturing	2.30	2.73	2.56	2.67	2.51	2.99	0.13
Food, beverages and tobacco	2.68	2.90	2.86	2.73	2.68	3.09	0.24
Textiles; clothing and footwear	1.84	2.14	(c)2.37	(c)2.09	1.78	2.15	0.33
Paper, paper products, printing and publishing	1.23	1.67	1.45	(c)1.83	(c)1.58	(c)1.83	0.49
Chemical, petroleum and coal products	2.13	2.36	2.40	2.53	2.42	2.75	0.31
Basic metal products	3.78	4.37	4.26	4.49	4.37	4.42	0.11
Fabricated metal products; other machinery and equipment	2.45	2.81	2.47	2.76	2.61	3.31	0.27
Transport equipment	2.22	2.56	2.52	2.90	2.90	3.44	0.18
Other manufacturing	2.15	3.02	2.60	2.70	2.45	3.25	0.24
Electricity, gas and water	1.66	1.57	1.51	1.51	1.62	1.75	0.01
Construction	1.70	1.84	1.96	1.73	2.10	2.81	0.32
Wholesale trade	0.87	1.35	1.07	1.04	1.03	1.35	0.15
Retail trade	0.68	0.72	0.64	0.62	0.77	0.79	0.10
Transport and storage; communication	2.13	2.35	2.18	2.10	2.25	2.70	0.17
Public administration and defence(d)	0.63	0.73	0.69	0.69	0.67	0.77	0.05
Community services	0.36	0.34	0.35	0.41	0.42	0.40	0.03
Other(e)	0.68	(c)0.73	0.46	0.54	0.44	0.64	0.08
All industries	1.16	1.29	1.19	1.23	1.22	1.46	0.04
AVERAGE WEEKLY OVERTIME HOURS PER EMPLOYEE WORKING OVERTIME(b)							
Mining	9.53	9.13	9.30	9.39	9.04	9.98	0.87
Manufacturing	7.34	7.67	7.74	7.94	7.62	8.11	0.15
Food, beverages and tobacco	6.98	6.73	6.62	6.75	6.55	6.89	0.41
Textiles; clothing and footwear	6.99	7.11	9.08	8.42	7.42	7.34	0.44
Paper, paper products, printing and publishing	6.54	6.52	7.60	7.41	6.48	6.89	0.69
Chemical, petroleum and coal products	8.15	8.56	8.96	8.63	8.87	8.96	0.33
Basic metal products	8.87	9.73	9.70	9.94	9.61	10.04	0.11
Fabricated metal products; other machinery and equipment	7.22	7.39	7.00	7.77	7.58	8.40	0.38
Transport equipment	7.72	8.01	7.92	8.87	8.68	9.66	0.29
Other manufacturing	7.07	8.41	8.04	7.63	7.47	8.08	0.30
Electricity, gas and water	6.88	6.84	6.89	7.18	7.17	7.30	0.06
Construction	7.96	8.19	8.75	8.03	8.13	8.72	0.33
Wholesale trade	5.86	7.40	6.35	6.82	6.82	7.24	0.41
Retail trade	3.90	4.02	3.97	3.73	4.05	4.27	0.37
Transport and storage; communication	7.34	7.85	7.66	7.34	7.52	8.92	0.31
Public administration and defence(d)	5.27	5.54	5.08	5.01	5.33	5.61	0.24
Community services	6.29	5.72	6.06	5.87	6.14	5.70	0.16
Other(e)	5.96	6.41	5.23	5.35	4.66	5.77	0.39
All industries	6.62	6.92	6.83	6.79	6.66	7.27	0.10
PERCENTAGE OF EMPLOYEES WORKING OVERTIME(b)							
Mining	46.80	45.15	45.96	44.13	41.52	40.07	3.21
Manufacturing	31.32	35.52	33.12	33.62	32.93	36.85	1.19
Food, beverages and tobacco	38.35	43.03	43.28	40.41	40.88	44.85	1.87
Textiles; clothing and footwear	26.31	30.13	26.07	24.80	23.95	29.30	3.38
Paper, paper products, printing and publishing	18.78	24.49	19.07	(c)24.71	24.44	26.53	4.63
Chemical, petroleum and coal products	26.17	27.57	26.78	29.28	27.32	30.66	3.36
Basic metal products	42.61	44.90	43.89	45.14	45.43	44.05	0.91
Fabricated metal products; other machinery and equipment	33.96	38.02	35.34	35.53	34.44	39.37	2.22
Transport equipment	28.75	32.01	31.74	32.72	33.38	35.63	1.09
Other manufacturing	30.43	35.88	32.33	35.45	32.86	40.19	2.38
Electricity, gas and water	24.18	22.96	21.95	20.99	22.59	24.00	0.23
Construction	21.40	22.41	22.44	21.50	25.76	32.17	3.49
Wholesale trade	14.89	18.30	16.77	15.20	15.05	18.64	1.73
Retail trade	17.49	17.91	16.18	16.75	18.99	18.49	1.15
Transport and storage; communication	29.01	29.92	28.43	28.59	29.86	30.23	1.08
Public administration and defence(d)	12.04	13.21	13.55	13.73	12.58	13.79	0.86
Community services	5.69	5.98	6.95	6.95	6.83	7.03	0.47
Other(e)	11.44	11.43	8.83	10.03	9.51	11.03	1.12
All industries	17.48	18.68	17.46	18.11	18.26	20.85	0.44

(a) Standard error for latest level estimate, and an approximate measure of the standard error of movement between the last two survey results. See paragraphs 13 to 16.
 (b) For definitions see paragraphs 6 to 11. (c) Relative standard error greater than 20 per cent but less than 30 per cent. (d) Excludes permanent defence forces.
 (e) Includes Finance, property and business services and Recreation, personal and other services.

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