

Wages and earnings

Wages growth

- Over the year to March 2021, wages growth (Wage Price Index) was **1.5%**. This compares to **2.2%** over the year to March 2020.

Source: ABS Wage Price Index – seasonally adjusted

Average weekly earnings

- In November 2020, average weekly ordinary time earnings for full-time adults were **\$1,711.60**. The average total weekly earnings of all workers (both full-time and part-time) were **\$1,280.30**.

Source: ABS Average Weekly Earnings – seasonally adjusted. Note: this measure is often referred to as AWOTE.

Median earnings

- In August 2020, median weekly earnings for all employees *excluding OMIEs** was **\$1,150 per week**.
- In August 2020, median weekly earnings for full-time employees including OMIEs* was **\$1,430 per week**.
- In 2017-18, median weekly gross household income was **\$1,701.****

Source: ABS Characteristics of Employment; ABS Household Income and Wealth, Australia, 2017-18 * Owner managers of incorporated enterprises in main job. ** Gross income is the sum of income from all sources (including government transfers) before income tax and the Medicare levy have been deducted.

Payroll wages since COVID-19

- From the week ending 14 March 2020 (when the 100th case of COVID-19 was recorded) to the week ending 8 May 2021, total employee wages increased by **1.9%**.
- Over the week to 8 May 2021, total employee wages decreased by **0.8%** compared to a decrease of **0.5%** over the previous week (to 1 May 2021).

Source: ABS Weekly Payroll Jobs and Wages

Wage growth in federal enterprise agreements

- The average annualised wage increase (AAWI) in the 9,988 current non-expired enterprise agreements was **2.6%** (as at **31 December 2020**). Among the 849 new enterprise agreements approved in December quarter 2020 wage growth was **2.2%**.

Source: Trends in Federal Enterprise Bargaining Report – December quarter 2020, Attorney-General's Department

Average compensation per employee

- Over the year to December 2020, average compensation per employee (AENA) increased by **2.6%**.

Source: ABS National Accounts

Measures of wages and wage growth

	Wage		Latest Period
	Annual growth	\$week	
Wage Price Index	1.5%	n/a	Mar-21
Average full-time earnings	3.2%	\$1,711.60	Nov-20
Median full-time earnings*	3.6%	\$1,430.00	Aug-20
Median earnings for all employees **	4.5%	\$1,150.00	Aug-20
AAWI (current non-expired)	2.6%	n/a	Dec-20
AAWI (approved in the qtr)	2.2%	n/a	Dec-20
AENA	2.6%	n/a	Dec-20
National Minimum Wage	1.75%	\$753.80	Jul-20

* Includes OMIEs in main job; ** Excludes OMIEs in main job.

Gender pay gap

- The **weekly** gender pay gap for full-time adult employees was **13.4%** in November 2020.
- In May 2018, the **hourly** gender pay gap for full-time and part-time employees was **14.1%**.

Source: ABS Average Weekly Earnings - seasonally adjusted; ABS Employee Earnings and Hours, all employees

Employment

- There are around 13.0 million **employed workers** of which around 10.9 million are **employees**.

Forms of employment

- In February 2021, there were 10.9 million **employees** – around **83.1% of the total workforce**.*
- In April 2021, there were 8.9 million **full-time employed** persons – around **68.2% of the total workforce**.* This proportion has decreased since 1978 (the start of the series).
- In April 2021, there were 4.2 million **part-time employed** persons – around **31.8% of the total workforce**.* This proportion has increased since 1978.
- In February 2021, there were 2.5 million **casual employees**, or **23.1% of all employees**, which was a decrease of 121,600 (or 4.6 per cent) from February 2020 (pre-COVID-19). Prior to COVID-19, the proportion had been stable at 25% for two decades.
- In August 2020, just over 1 million people (1,022,700) were **independent contractors**, or **8.2% of the total workforce**. This proportion has remained broadly stable over the last decade (since 2008).
- In August 2020, there were 112,600 **employees paid by a labour hire firm**, or **1.1% of all employees**. This proportion has remained stable over the last decade (since 2008).
- In August 2020, there were 413,100 employees working on a **fixed-term contract**, or **4.0% of all employees**. This proportion has remained broadly stable for almost two decades (since 2004).

Source: ABS, Labour Force – seasonally adjusted; ABS Labour Force, Detailed; ABS Characteristics of Employment; ABS Forms of Employment. *Workforce is defined as employed persons, and includes employees, owner-managers and contributing family members.

Labour force data (seasonally adjusted)

	Apr-2021	Monthly change
Unemployment rate	5.5%	-0.2%pts
-Youth rate (15-24 yrs)	10.6%	-1.1%pts
Participation rate	66.0%	-0.3%pts
Total employed	13,040,400	-30,600 (-0.2%)
-Full-time employed	8,889,500	33,800 (0.4%)
-Part-time employed	4,150,900	-64,400 (-1.5%)
Total unemployed	756,200	-33,600 (-4.3%)

Source: ABS Labour Force, Australia. This data is for civilian Australians aged 15 and over unless otherwise indicated.

Pay setting

Method of setting pay

- In May 2018, **21.0%** of all employees (around 2.2 million employees) had their pay set by an award.

Methods of setting pay in Australia, May 2018

Method of setting pay	All employees		Weekly earnings
	n°	%	
Award only	2,234,800	21.0	\$788.80
Collective agreement	4,033,600	37.9	\$1,331.20
Individual arrangement	3,974,200	37.3	\$1,506.50
Owner manager of inc. enterprise	404,600	3.8	\$1,486.00
Total	10,647,200	100.0	\$1,288.70

Source: ABS Employee Earnings and Hours, all employees (managerial and non-managerial), both full time and part time.

National minimum wage

- The national minimum wage is currently **\$753.80 per week** or **\$19.84 per hour**.
- In May 2018, an estimated **180,200** adult employees (1.7% of all employees) were paid the national minimum wage rate.

Source: AGD calculations using ABS, Employee Earnings and Hours.

Agreement making

- As at 31 December 2020, there were **9,988** current non-expired federal enterprise agreements, covering over 1.9 million employees.
- 849 new federal agreements were approved in the December quarter 2020, covering 174,725 employees.

Current non-expired agreements as at 31 December 2020

	Public sector	Private sector	All sectors
Agreements current (quarterly change)	475 (-12)	9,513 (+185)	9,988 (+173)
Employees covered (quarterly change)	653,919 (+3,849)	1,248,333 (+2,603)	1,902,252 (+6,452)
Average Annualised Wage Increase (%)	2.4% (-0.2%pts)	2.7% (0.0%pts)	2.6% (0.0%pts)

New agreements approved in the December quarter 2020

	Public sector	Private sector	All sectors
Agreements approved	32	817	849
Employees covered	88,800	85,925	174,725
Average Annualised Wage Increase (%)	1.9% (-0.2%pts)	2.6% (-0.2%pts)	2.2% (-0.4%pts)

Source: Trends in Federal Enterprise Bargaining Report – December quarter 2020, Attorney-General's Department

Australian businesses

Numbers of businesses

- In June 2020, there were **2,422,404** businesses* in Australia of which **875,539** were employing businesses. Of these employing businesses, **814,913 (93.1%)** had less than 20 employees.

Source: ABS Counts of Australian Businesses *Each business can have a number of workplaces.

Employed persons in small business (<20 workers)

- In June 2020, there were **4,671,000** employed persons in small businesses, or **41.3%** of all employed persons.

Source: ABS Australian Industry, 2019-20

Trade union membership

- In August 2020, **14.3%** of employees were trade union members in their main job, down from **14.6%** in August 2018.
- In August 2020, **36.7%** of public sector employees and **9.2%** of private sector employees were trade union members in their main job.

Source: ABS Characteristics of Employment

Industrial disputes

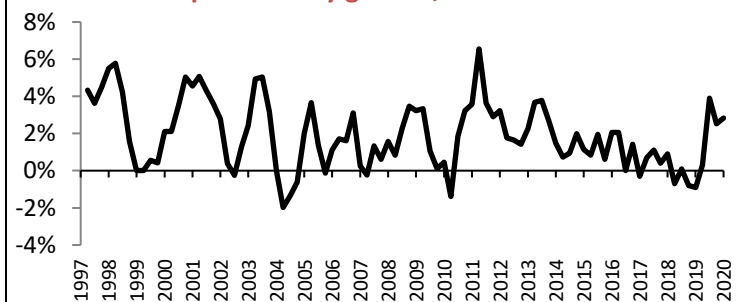
- Industrial disputation remains low compared to historical trends.
- The industrial dispute rate stood at **1.4** working days lost per thousand employees (WDL/000E) for the December quarter 2020, **up** from **1.1** WDL/000E in the December quarter 2019.
- There were **16,500** working days lost in **32** disputes, involving **2,600** employees, during the December quarter 2020.
- The annual dispute rate over the year to December 2020 (**2.8** WDL/000E) is **down** from **5.5** WDL/000E over the year to December 2019.

Source: ABS Industrial Disputes

Productivity

- In the December quarter 2020, seasonally adjusted* **labour productivity** (output per hour worked) in the market sector:
 - increased by **0.1%** over the quarter; and
 - increased by **2.8%** over the year.

Annual labour productivity growth, %



Source: ABS Australian National Accounts

- From 2011-12 to 2017-18, the latest complete productivity growth 'cycle':
 - labour productivity** grew by an average of **1.7%** per year.
 - multifactor productivity** (output per unit input, including labour AND capital) grew by an average of **0.8%** per year.
- From 2018-19 to 2019-20, labour productivity increased by **0.6%**, compared to an increase of **0.2%** from 2017-18 to 2018-19.

Average annual productivity growth, %



Source: ABS Australian System of National Accounts, 2019-20

Prices and cost of living indexes

- Over the year to the March quarter 2021, consumer prices increased by **1.1%** (headline inflation).
- Over the same period, underlying inflation was **1.2%** – below the RBA's target band of 2-3%.

Source: ABS Consumer Price Index

- Over the year to the March quarter 2021, the Employee Living Cost Index remained **unchanged** (0.0%).

Source: ABS Selected Living Cost Indexes