

## TRENDS IN FEDERAL ENTERPRISE BARGAINING

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### JUNE QUARTER 2002

#### KEY FIGURES

##### AVERAGE ANNUALISED WAGE INCREASES (AAWIs) PER EMPLOYEE

	March quarter 2002 %	June quarter 2002 %	Change Points %
<b>Wage agreements in the quarter</b>			
All sectors	3.6	3.6	0.0
Private sector	3.6	3.2	-0.4
Public sector	3.9	4.3	0.4
<b>All current wage agreements</b>			
All sectors	3.8	3.8	0.0
Private sector	3.8	3.7	-0.1
Public sector	3.7	3.9	0.2

#### KEY POINTS

##### Agreements certified in the quarter

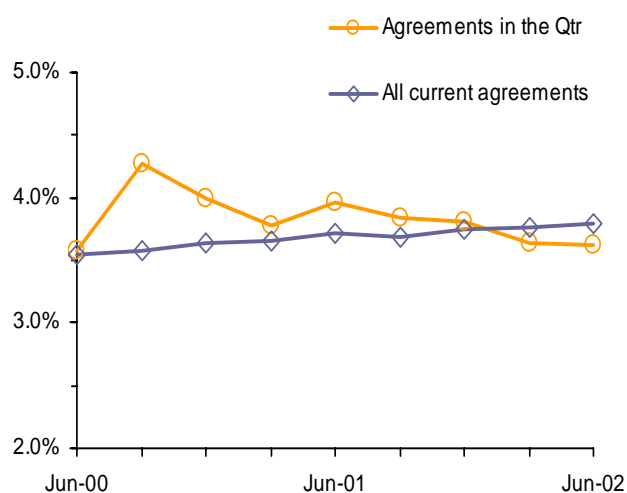
- Federal wage agreements certified in the June quarter 2002 allowed for an average annualised wage increase (AAWI) per employee of 3.6 per cent, unchanged from the March quarter 2002.

##### Current agreements

- Federal wage agreements current at 30 June 2002 provided an AAWI of 3.8 per cent per employee, also unchanged from the March quarter 2002.

**Chart 1: Federal certified wage agreements**

Average annualised wage increase



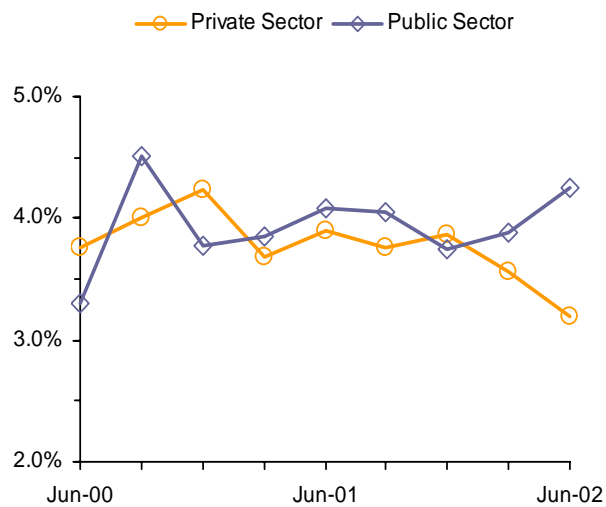
Source: DEWR Workplace Agreements Database (WAD).

## Public and private sector agreements certified in the quarter

- Private sector AAWI per employee for agreements certified in the June quarter fell by 0.4 percentage points. This can be attributed to several large agreements with lower than average AAWIs. Conversely, public sector AAWI per employee rose by 0.4 percentage points because of the certification of several large agreements.

- Of wage agreements certified in the June quarter, 6.9 per cent were in the public sector covering 36.8 per cent of employees under wage agreements. This compares to the March quarter when 6.2 per cent of agreements were in the public sector covering 24.9 per cent of employees.

**Chart 2: Federal wage agreements by sector**  
Average annualised wage increase  
(Agreements certified in the quarter)



Source: DEWR, Workplace Agreements Database (WAD).

NOTES: This report summarises the latest estimates from the Department of Employment and Workplace Relations' Workplace Agreements Database (WAD). The Australian Industrial Registry of the Australian Industrial Relations Commission (AIRC) provides DEWR with copies of agreements, employee statistics and certification details for agreements certified by the AIRC. All estimates are rounded to one decimal place, and are subject to revision.

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NEXT RELEASE: The September quarter 2002 *Trends in Federal Enterprise Bargaining* report is scheduled for release in late November.

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## **PACE OF AGREEMENT MAKING**

A total of 1334 agreements were certified in the June quarter 2002. These agreements covered an estimated 215 400 employees. This brings the total number of federal agreements formalised by the AIRC from August 1991 to the end of the June quarter 2002 to 46 424.

### *Conditions only agreements certified during the quarter*

Of agreements certified this quarter, 61 contained conditions of employment provisions only, representing 4.6 per cent of agreements and covering 1.9 per cent of employees.

### *Wage agreements certified during the quarter*

There were 1273 federal wage agreements certified in the June quarter, covering an estimated 211 300 employees compared to 1778 wage agreements covering an estimated 208 200 employees in the March quarter. The average size of wage agreements in the June quarter 2002 was 166 employees – up from 117 employees in the March quarter 2002.

Wage agreements with quantifiable wage increases (see Technical Notes) accounted for 73.3 per cent of agreements and 88.6 per cent of employees covered by agreements certified in the June quarter 2002.

Non-quantified wage agreements accounted for 22.1 per cent of all agreements in the June quarter 2002 and covered 9.5 per cent of employees. In the March quarter 2002 non-quantified wage agreements accounted for 15.6 per cent of agreements covering 14.0 per cent of employees.

### *Current wage agreements*

There were 14 306 federal wage agreements current at 30 June 2002, covering an estimated 1 542 400 employees. At 31 March 2002 there were 13 678 federal wage agreements current covering an estimated 1 486 600 employees.

## **AAWI PER EMPLOYEE**

Chart 1 compares trends over the past three years in the two key wage measures. These are:

- an estimate of the AAWI per employee for federal wage agreements formalised by the AIRC in a particular quarter; and
- the AAWI per employee for all federal wage agreements current at the last day of each quarter.

The calculation of these wage measures is explained in the Technical Notes.

AAWIs for all current wage agreements have remained relatively stable to June 2002 with the all industry AAWI per employee increasing by 0.1 percentage points in the period from the June quarter 2001 to 3.8 per cent. The all industry AAWI for agreements certified in the quarter has been more volatile, falling 0.4 percentage points from 4.0 per cent per employee measured in the June quarter 2001.

While examining agreements certified each quarter is a useful forward indicator of developments in new federal agreements, only an estimated 2.7 per cent of non-farm employees in Australia are covered by agreements certified in the June quarter 2002.

However, current wage agreements cover a much larger group – approximately 19.7 per cent of all non-farm employees at the end of June 2002.

### **AAWI PER EMPLOYEE (CONSTANT INDUSTRY CONTRIBUTION)**

Table 1 shows the AAWIs per employee and the number of employees under quantifiable agreements, for each industry in the March and June quarters 2002. The Part A total shows the overall AAWI for each quarter and the total estimated employees covered by quantifiable wage agreements certified each quarter.

The change in overall AAWI between quarters may be affected by changes in AAWI within each industry and changes in the relative number of employees under agreements in each industry. By holding constant the numbers of employees within each industry, thus removing the effect of compositional change, it is possible to isolate the effect of changes in AAWI within industries. Part B removes the compositional effects by calculating the AAWI for the June quarter by substituting the same pattern of employees covered by quantifiable agreements, as prevailed in the previous quarter. The table indicates that while the inclusion of compositional changes resulted in an unchanged AAWI of 3.6 per cent per employee in Part A, there was an underlying decrease in AAWI to 3.2 per cent per employee in Part B.

<b>Table 1: Impact of industry composition on AAWIs – federal quantifiable wage agreements certified in the March and June quarters 2002</b>						
<b>Part A: AAWIs for the March and June quarters 2002</b>						
<b>Industry</b>	<b>March quarter 2002</b>			<b>June quarter 2002</b>		
	<b>AAWI %</b>	<b>Emp Nos</b>	<b>Cross Product %</b>	<b>AAWI %</b>	<b>Emp Nos</b>	<b>Cross Product %</b>
Agriculture, Forestry and Fishing	2.4	392	0.01	3.4	42	0.00
Mining	4.8	233	0.01	2.1	557	0.01
Manufacturing	4.2	22086	0.52	4.0	11842	0.25
Electricity, Gas and Water Supply	3.5	1014	0.02	3.9	2334	0.05
Construction	5.2	6789	0.20	4.8	4111	0.10
Wholesale Trade	4.3	689	0.02	3.3	145	0.00
Retail Trade	3.2	77360	1.37	2.9	76751	1.16
Accommodation, Cafes and Restaurants	2.6	1019	0.01	2.4	102	0.00
Transport and Storage	3.5	1904	0.04	3.2	9589	0.16
Communication Services	3.7	34389	0.71	2.3	18	0.00
Finance and Insurance	3.5	4203	0.08	3.1	2770	0.04
Property and Business Services	3.6	1308	0.03	5.1	8439	0.23
Government Administration and Defence	4.3	7994	0.19	4.2	60916	1.33
Education	3.8	3185	0.07	5.1	1055	0.03
Health and Community Services	4.8	10520	0.28	4.0	9235	0.19
Cultural and Recreational Services	3.0	5288	0.09	4.0	1250	0.03
Personal and Other Services	4.0	474	0.01	3.6	1589	0.03
<b>Total</b>		<b>178847</b>	<b>3.6</b>		<b>190745</b>	<b>3.6</b>

<b>Part B: by holding employee estimates constant for each industry</b>						
	<b>March quarter 2002</b>			<b>June quarter 2002</b>		
<b>Industry</b>	<b>AAWI %</b>	<b>Emp Nos</b>	<b>Cross Product %</b>	<b>AAWI %</b>	<b>Emp Nos</b>	<b>Cross Product %</b>
Agriculture, Forestry and Fishing	2.4	392	0.01	3.4	392	0.01
Mining	4.8	233	0.01	2.1	233	0.00
Manufacturing	4.2	22086	0.52	4.0	22086	0.50
Electricity, Gas and Water Supply	3.5	1014	0.02	3.9	1014	0.02
Construction	5.2	6789	0.20	4.8	6789	0.18
Wholesale Trade	4.3	689	0.02	3.3	689	0.01
Retail Trade	3.2	77360	1.37	2.9	77360	1.25
Accommodation, Cafes and Restaurants	2.6	1019	0.01	2.4	1019	0.01
Transport and Storage	3.5	1904	0.04	3.2	1904	0.03
Communication Services	3.7	34389	0.71	2.3	34389	0.45
Finance and Insurance	3.5	4203	0.08	3.1	4203	0.07
Property and Business Services	3.6	1308	0.03	5.1	1308	0.04
Government Administration and Defence	4.3	7994	0.19	4.2	7994	0.19
Education	3.8	3185	0.07	5.1	3185	0.09
Health and Community Services	4.8	10520	0.28	4.0	10520	0.24
Cultural and Recreational Services	3.0	5288	0.09	4.0	5288	0.12
Personal and Other Services	4.0	474	0.01	3.6	474	0.01
		<b>178847</b>	<b>3.6</b>		<b>178847</b>	<b>3.2</b>

Source: DEWR Workplace Agreements Database (WAD).

### **AAWI PER AGREEMENT**

#### *The use of this indicator*

The AAWI *per agreement* is not the best statistical indicator of aggregate wage increases being granted to employees. This is because it assigns equal weight to each agreement, irrespective of the number of employees the agreement covers. This makes the indicator particularly prone to distortion by the large number of small, pattern agreements certified in the construction sector. This is reflected in the disparity between public and private sector AAWI per agreement.

The AAWI *per employee* weights agreements by employee coverage and so provides a much more accurate picture of average wage increases being received by employees under federal certified agreements.

#### **Agreements certified during the quarter**

Federal wage agreements certified in the June quarter 2002 allowed for an AAWI per agreement of 4.6 per cent, down 0.5 percentage points from the March quarter 2002 AAWI of 5.1 per cent per agreement.

- Private sector wage agreements allowed for an AAWI of 4.7 per cent per agreement in the June quarter 2002, while public sector wage agreements allowed for an AAWI of 3.8 per cent per agreement.

## **Current agreements**

Current federal wage agreements (agreements that had not expired or been terminated at 30 June 2002) provided for an AAWI of 4.8 per cent per agreement – unchanged from the March quarter 2002 AAWI per agreement.

Private sector wage agreements current at 30 June 2002 provided an AAWI of 4.9 per cent per agreement while public sector agreements provided an AAWI of 3.5 per cent per agreement.

## **MAJOR AGREEMENTS**

There were 36 large agreements (each covering 500 or more employees) certified in the June quarter 2002 compared to 44 large agreements in the previous quarter. These agreements accounted for 2.7 per cent of all agreements certified in the June quarter 2002 and covered 76.6 per cent of employees (See Tables 1 and 2). This compares to the March quarter when large agreements accounted for around 2.4 per cent of all agreements and 75.2 per cent employees.

### **Public sector major agreements**

Employees covered by large public sector agreements accounted for 32.9 per cent of all employees under agreements certified in the June quarter 2002. These employees were granted an AAWI of 4.3 per cent per employee for large public sector wage agreements, up from 3.9 per cent per employee in the March quarter 2002.

The remaining public sector employees, covered by smaller agreements (under 500 employees), were granted an AAWI of 3.7 per cent per employee in the June quarter 2002.

#### *Contributions to public sector wage outcomes*

Several major public sector agreements contributed significantly to the AAWI for all large agreements certified in the June quarter 2002.

Eight of the ten government administration and defence industry agreements certified during the quarter provided for AAWIs of 4.0 per cent or higher. The Defence Employees Certified Agreement 2002 granted an AAWI of 4.5 per cent per employee to over 17 800 employees, while the Australian Competition and Consumer Commission Certified Agreement 2002-2003 granted an AAWI of 6.7 per cent per employee to around 500 employees.

These AAWIs contributed to the 0.4 percentage point rise in the overall public sector AAWI for the quarter.

**Table 2: Large federal agreements certified in the June quarter 2002 – private sector**

<b>TITLE</b>	<b>DURATION (YRS)</b>	<b>TOTAL WAGE (%)</b>	<b>AAWI (%)</b>	<b>EMPS</b>	<b>NOTES</b>
<b>Private sector large agreements</b>					
<b>Manufacturing - Metals</b>					
Alcoa Australia Limited Point Henry Smelter and Anglesea Power Station Agreement 2002	2.0	*	*	541	2
Electrolux Cooking Plant Dudley Park Enterprise Agreement 2001	2.0	8.5	4.3	637	
<b>Retail Trade</b>					
Miller's Apparel National Certified Agreement 2001	2.5	6.5	2.6	3559	4
Coles Supermarkets Australia Pty Limited Retail Agreement 2002	3.1	9.2	3.0	54957	
Bi-Lo Limited Retail Agreement 2002	3.0	7.7	2.5	15272	4
Megamart Agreement 2001	2.0	6.9	3.5	701	
Rockmans Stores Enterprise Agreement 2002	2.9	8.3	2.8	1204	
<b>Electricity, Water and Gas Supply</b>					
Powercor Australia Ltd Enterprise Agreement 2002	2.0	8.6	4.3	700	
Aurora Energy Enterprise Partnership Agreement 2002 - 2005	3.0	11.5	3.8	766	
<b>Transport and Storage</b>					
Qantas Airways Limited (AWU AMWU) EA V	2.5	*	*	2165	2, 3
Transport Workers Union (Qantas Airways Limited) EA V	3.0	9.0	3.0	4549	3
Qantas Airways Limited Flight Crew (Long Haul) CA 2001 - 2002 (EBA5)	1.1	3.0	2.7	1675	
<b>Finance and Insurance</b>					
GE Finance and Insurance Branch Channel Agreement 2002-2004	3.0	12.0	4.0	501	4, 6
Suncorp Metway Staff Pty Ltd Certified Agreement April 2002	2.5	7.0	2.8	2060	3, 5
<b>Property and Business Services</b>					
EDS People Agreement 2002	3.0	*	*	1206	3, 5
Canon Australia Pty Ltd Certified Agreement 2002	2.0	*	*	513	8
<b>Education</b>					
ACT Independent Sector Teachers' Agreement 2002	2.9	14.5	5.0	678	7
<b>Health and Community Services</b>					
Melbourne Pathology Incorporating Hitech and the HSUA (Victoria No. 1 Branch) Enterprise Bargaining Agreement 2001	2.3	9.5	4.1	806	
Primelife Share Plan Enterprise Agreement 2002	1.0	*	*	615	1
<b>Cultural and Recreational Services</b>					
Network Ten Pty Limited Staff Enterprise Agreement 2002	3.1	13.0	4.2	504	
Dreamworld Certified Agreement [ No 4 ] 2001	3.0	*	*	583	2
<b>Total large non-quantifiable, unclear or conditions only private sector agreements</b>					
				5 623	
<b>Total large quantifiable private sector agreements</b>					
				88 569	
<b>Total large private sector agreements</b>					
	<b>2.4</b>		<b>3.0</b>	<b>94 192</b>	
Source: DEWR Workplace Agreements Database (WAD).					
NOTES: * Agreement cannot be quantified – the numerical note will indicate the reason why the agreement cannot be quantified					
1. Employees can elect to salary sacrifice for company shares					
2. New classification structure					
3. Profit share/share acquisition scheme					
4. Comprehensive agreement - operates to the exclusion of all previous Awards and agreements					
5. Performance pay scheme					
6. AAWI calculated on performance 'meeting expectations'. Actual increases based on individual performance of between 0% - 8%					
7. Multi-employer agreement					
8. Salaries will be reviewed annually but not necessarily adjusted					

**Table 3: Large agreements certified in the June quarter 2002 – public sector**

<b>TITLE</b>	<b>DURATION (YRS)</b>	<b>TOTAL WAGE (%)</b>	<b>AAWI (%)</b>	<b>EMPS</b>	<b>NOTES</b>
<b>Public sector large agreements</b>					
<b>Transport and Storage</b>					
ACTION (Enterprise Bargaining) Agreement 2002	1.3	5.5	4.3	796	3
<b>Property and Business Services</b>					
Bureau of Meteorology Certified Agreement 2002-2003	1.8	10.0	5.7	1444	
CSIRO Enterprise Agreement 2002 - 2005	3.0	15.5	5.1	6389	4
<b>Government Administration and Defence</b>					
Department of Transport and Regional Services CA 2002-2004	2.1	12.0	5.8	935	1
Victorian Public Service [ Non-Executive Staff] CA 2001	2.3	8.0	3.4	24238	4
The Defence Employees Certified Agreement 2002-3	2.0	9.0	4.5	17872	2
Australian Customs Service Certified Agreement 2002-2004	2.4	14.0	5.9	4679	1, 2
Department of Family and Community Services CA 2002 - 2005	3.1	12.8	4.1	1711	
Department of Veterans' Affairs Enterprise Agreement 2002-2003	1.7	9.5	5.5	2250	1, 4
Australian Competition and Consumer Commission CA 2002 - 2003	1.5	10.0	6.7	514	5
Australian Bureau of Statistics Interviewers CA 2002-2003	1.4	5.5	3.9	598	2
State Transit Authority of NSW Bus Operations EA 2002	2.5	10.0	4.1	3528	
Stonnington City Council Enterprise Agreement No. 4/2002	2.5	10.0	4.0	668	
<b>Health and Community Services</b>					
Home Care Service of NSW & LHMU (Care Workers) EA 2001	3.0	12.0	4.0	4307	
<b>Personal and Other Services</b>					
Western Australian Fire Service Certified Agreement 2002	2.4	8.5	3.5	900	
Total large non-quantifiable, unclear or conditions only public sector agreements					
				0	
Total large quantifiable public sector agreements				70 829	
<b>Total large public sector agreements</b>		<b>2.2</b>	<b>4.3</b>	<b>70 829</b>	

Source: DEWR Workplace Agreements Database (WAD).

NOTES: \* Agreement cannot be quantified – the numerical note will indicate the reason the agreement cannot be quantified

1. Sign on bonus
2. Comprehensive agreement - operates to the exclusion of all previous Awards and agreements
3. 1.5% wage increase in lieu of income protection scheme
4. Performance pay/bonus/reward
5. Productivity bonus

### Major private sector agreements

Employees covered by large private sector agreements accounted for 43.7 per cent of all employees under agreements certified in the June quarter 2002, down from 54.0 per cent of all employees in the March quarter 2002. These employees were granted an AAWI of 3.0 per cent per employee. In contrast, the remaining private sector employees covered by smaller agreements (those under 500 employees) were granted an AAWI of 4.0 per cent per employee.

#### *Contributions to private sector wage outcomes*

The two very large Coles Supermarkets and Bi Lo Retail agreements covering around 70 000 employees contributed significantly to the decrease in the overall private sector AAWI for the June quarter 2002.

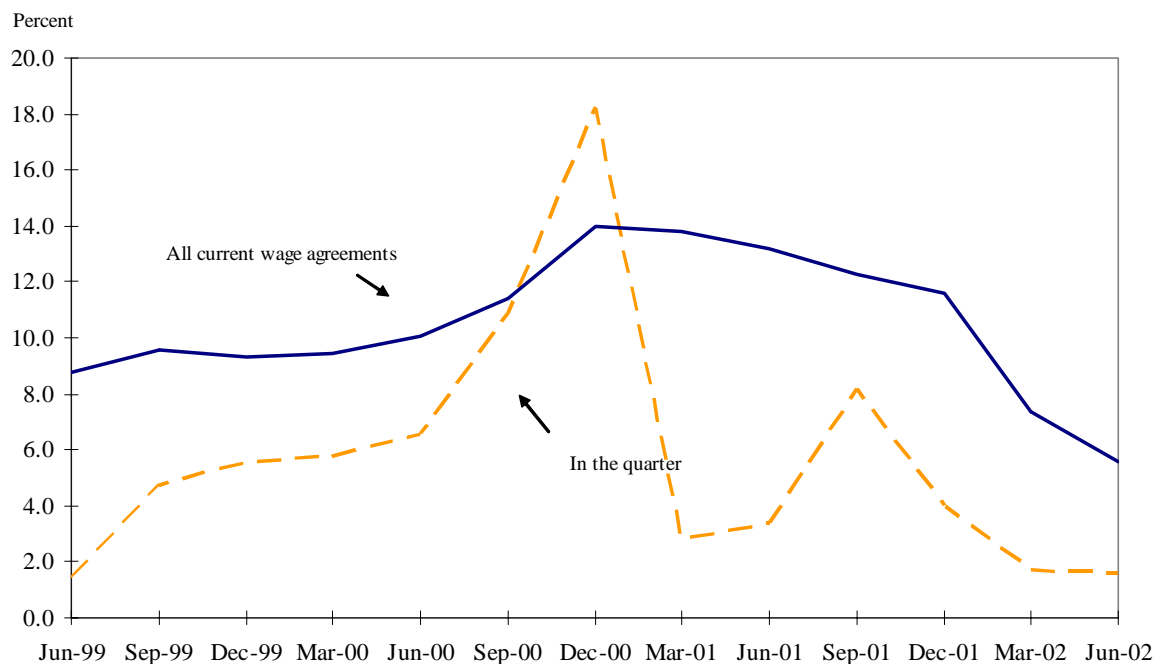
## INFLATION RELATED CLAUSES IN AGREEMENTS

The WAD contains information on whether federal workplace agreements have clauses which allow for:

- full indexation of wage increases in line with CPI increases;
- partial absorption of CPI increases depending on whether the percentage wage increase provided by the agreement is higher than the CPI increase;
- a specific GST formula or a formula to calculate the effects of net CPI; or
- the re-opening of wage negotiations if CPI increases are higher than anticipated.

Chart 3 shows that after rising during 2000, the level of employees under current wage agreements containing CPI related provisions has been decreasing.

**Chart 3: Percentage of employees covered by agreements that contain CPI related clauses**



Note: There have been slight revisions to the historical series.  
Source: DEWR Workplace Agreements Database (WAD).

### Current agreements with CPI related provisions

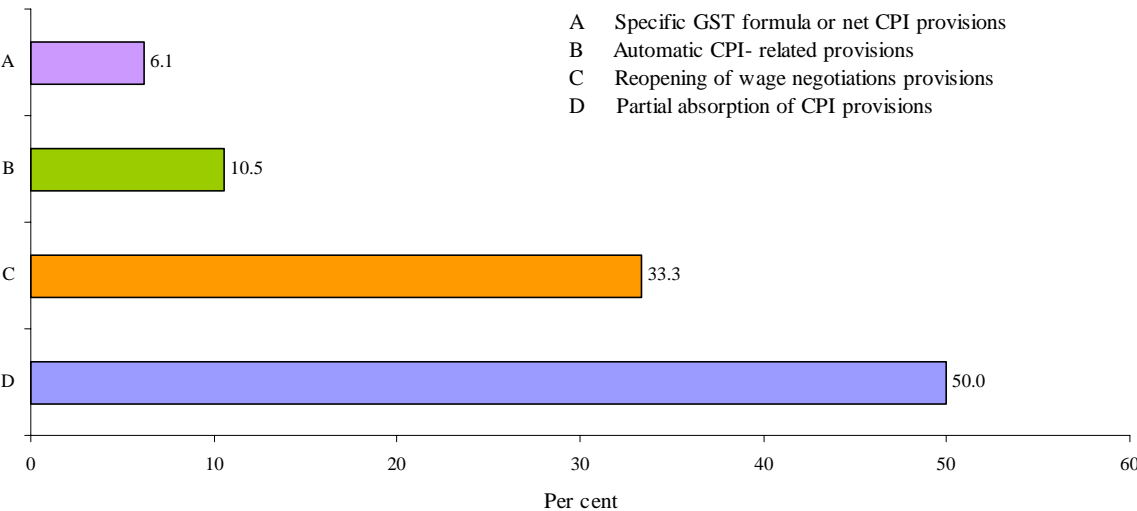
The proportion of employees covered by current federal wage agreements, whose agreements include any type of CPI related wage clause, was 5.6 per cent at the end of the June quarter 2002, 1.8 percentage points down from 7.4 per cent at the end of the March quarter 2002.

- Only 1.1 per cent of employees covered by current federal wage agreements are covered by agreements that allow for automatic adjustment of wages in line with CPI movements. This is a decrease of 0.1 percentage points from the previous quarter.
- Most current agreements that contain a CPI related clause, instead allow for partial absorption of CPI movements or allow only for an agreement to be reviewed in light of CPI movements.

### Agreements certified in the quarter with CPI related provisions

Of all employees covered by wage agreements certified in the June quarter 2002, only 1.6 per cent were covered by an agreement that contained a CPI related wage clause, down from 1.7 per cent in the March quarter 2002. This figure has fallen for the third consecutive quarter.

**Chart 4: Percentage of federal certified wage agreements containing CPI provisions by type of provision, certified during the June quarter 2002**



Source: DEWR Workplace Agreements Database (WAD).

*Types of CPI provisions in the quarter*

The most common types of CPI provisions in the June quarter were those providing partial absorption of CPI – which normally leaves wage increases unchanged unless CPI increases are greater than the wage increases provided by the agreement. This category accounted for 50.0 per cent of all agreements with CPI related provisions certified this quarter.

An estimated 33.3 per cent of agreements containing CPI related clauses certified in the quarter only contained re-opening clauses, with a further 10.6 per cent containing automatic clauses. The remaining 6.1 per cent were agreements containing provisions that included a specific formula related to CPI.

*Number of agreements*

In the June quarter 2002, 114 agreements containing CPI related clauses were certified compared to 160 in the March quarter 2002. As a proportion of agreements certified in the quarter, those with CPI related wage clauses remained steady at 9 per cent of agreements in the June quarter 2002.

## **WAGE TRENDS BY SECTOR**

### **Private sector**

#### *Private sector agreements certified during the quarter*

In the private sector, 1185 federal wage agreements, covering an estimated 133 500 employees, were certified during the June quarter 2002.

These agreements granted an AAWI of 3.2 per cent per employee, down 0.4 percentage points from the March quarter 2002 AAWI of 3.6 per cent per employee. This decline reflects the certification of two large retail agreements during the June quarter granting AAWIs of 2.5 and 3.0 per cent per employee to a combined total of over 70 000 employees.

#### *Private sector expiring agreements*

*The last quarter of 2002 and the first quarter of 2003 are shaping up to be periods of transition, with a significant number of private sector agreements due to expire including more than 4100 wage agreements in the December quarter 2002. Most of these expiring agreements are from the construction industry.*

*In terms of employees covered by expiring private sector agreements, the June quarter 2004 is the most significant quarter with 553 agreements covering around 118 500 employees due to expire (See Table 4).*

#### *Private sector current agreements*

The AAWI for private sector agreements current at 30 June 2002 was 3.7 per cent per employee, a slight decrease from the March quarter 2002.

### **Public sector**

#### *Public sector agreements certified during the quarter*

In the June quarter 2002, 88 federal wage agreements were certified in the public sector, covering an estimated 77 800 employees.

- These agreements allowed for an AAWI of 4.3 per cent per employee, up from the previous quarter's result of 3.9 per cent per employee.

#### *Public sector current agreements*

For federal wage agreements in the public sector that were current at 30 June 2002, the AAWI per employee was 3.9 per cent, an increase since the March quarter 2002.

### *Public sector expiring agreements*

*The quarter with the highest number of expiring public sector agreements is the June quarter 2002 with 242 wage agreements due to expire covering an estimated 126 000 employees.*

*In terms of employees covered by expiring agreements, the June quarter 2003 is also significant with 201 wage agreements covering around 108 100 employees due to expire. The AAWI per employee currently provided by these agreements is 4.0 per cent per employee.*

## **AGREEMENTS MADE DIRECTLY WITH EMPLOYEES AND AGREEMENTS MADE WITH EMPLOYEE ORGANISATIONS**

### **Agreements certified in the quarter**

#### *Agreements made under section 170LK*

One option made available by the *Workplace Relations Act 1996* (WR Act) to parties negotiating an agreement, is to make an agreement directly between employer and employees. These agreements are provided for under section 170LK of the WR Act.

- The AAWI for employees under section 170LK agreements certified in the June quarter 2002 was 3.5 per cent per employee, up 0.2 percentage points from the March quarter.

#### *Agreements made with employee organisations*

The AAWI per employee for agreements made with employee organisations under the WR Act, (agreements made under section 170LL, 170LN and 170LJ) in the June quarter 2002 was 3.6 per cent per employee – down marginally from 3.7 per cent per employee in the March quarter 2002.

### **Current agreements**

A less volatile indicator of wage outcomes under section 170LK agreements is provided by the AAWI for those agreements current at a given point in time. Chart 5 shows how the larger size of the current agreements dataset tends to eliminate quarter-by-quarter volatility but retain any overall trends present in the data. The overall trend evident has been for AAWIs provided by the two types of agreements to converge.<sup>1</sup>

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<sup>1</sup> Some organisations report on AAWI per agreement to measure wage outcomes including comparisons between section 170LK agreements and those made with employee organisations. See comments regarding the inadequacy of this measure under *AAWI per agreement*.

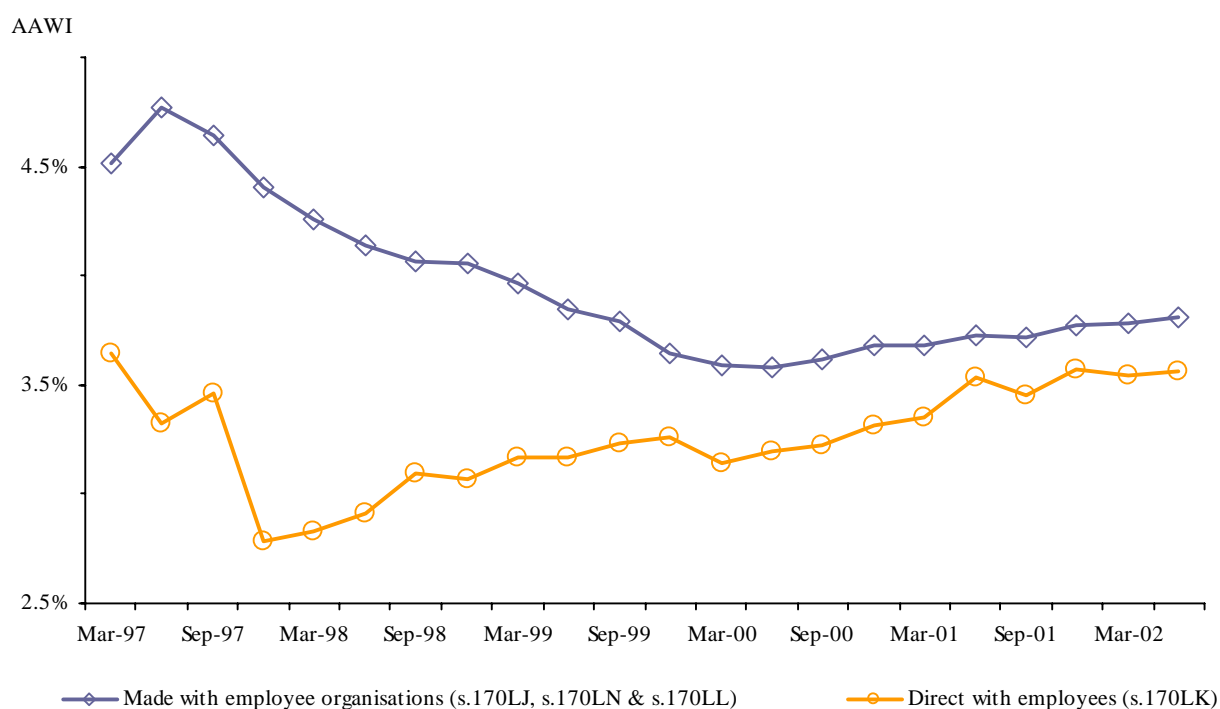
### Agreements made under section 170LK

The AAWI per employee for agreements made under section 170LK and current at 30 June 2002 was 3.6 per cent per employee – up marginally from the March quarter’s figure of 3.5 per cent per employee.

### Agreements made with employee organisations

The AAWI per employee for agreements current at 30 June 2002 and made with employee organisations was 3.8 per cent per employee – unchanged from the March quarter 2002 figure.

**Chart 5: Wage trends for agreements made with employee organisations and agreements made directly with employees under the WR Act and current on the last day of each quarter: 31 March 1997 to 30 June 2002**



Source: DEWR Workplace Agreements Database (WAD).

## WAGE TRENDS IN KEY INDUSTRIES

Table 5 shows quarterly movements in AAWI for seventeen industry ANZSIC divisions. Manufacturing has been disaggregated into metals and non-metals industries.

Table 6 shows the expiry pattern for each quarter to 31 March 2005 for the same seventeen industry ANZSIC Divisions. It lists the number of agreements expiring, the number of employees covered by those agreements and the AAWI for the expiring agreements.

## **Health and community services**

A total of 77 wage agreements were certified in the health and community services industry. These agreements covered an estimated 10 900 employees and provided an AAWI of 4.0 per cent per employee.

- This result is down 0.8 percentage points from the March quarter 2002 of 4.8 per cent but up 0.3 percentage points from the December quarter 2001 result of 3.7 per cent per employee.
- This industry group includes agreements from both the public and private sector. In the June quarter 2002, 83.1 per cent of wage agreements and 51.6 per cent of employees in the health and community service industry were from the private sector. The AAWIs provided for by private and public sector health and community services agreements were 4.0 per cent per employee respectively.

The AAWI for current health and community service agreements has continued to increase over the year from 3.3 per cent per employee at 30 June 2001 to 4.0 per cent per employee at 30 June 2002.

## **Manufacturing**

There were 275 manufacturing wage agreements certified during the June quarter 2002. These agreements provide an AAWI of 4.0 per cent per employee (down from the March quarter) to around 15 700 employees.

### **Metals manufacturing**

In the June quarter 2002 there were 108 wage agreements certified in this industry.

- The AAWI for metals manufacturing wage agreements certified in the June quarter 2002 was 3.9 per cent, down from 4.5 per cent in the March quarter 2002.
- The number of employees covered by metals manufacturing agreements fell considerably in the June quarter 2002 from around 11 500 in the March quarter 2002 to around 6700 in the June quarter 2002.

### **Non-metals manufacturing**

The number of non-metals manufacturing agreements for the June quarter was 167, down 6 agreements from the previous quarter.

- The AAWI for non-metals manufacturing was up from the March quarter figure of 3.9 per cent per employee to 4.1 per cent in the June quarter 2002.

## **Retail trade**

Around 77 400 employees covered by retail trade agreements certified in the June quarter 2002 received an AAWI of 2.9 per cent per employee, down from the March quarter 2002 figure of 3.2 per cent per employee.

- The total number of retail agreements certified in the June quarter 2002 was 37, up from the March quarter's total of 27.

## **Construction**

A total of 578 wage agreements were certified during the June quarter in the construction industry. These agreements covered around 5100 employees.

- These agreements provided an AAWI of 4.8 per cent per employee, down from 5.2 per cent per employee in the March quarter 2002.

A total of 6230 construction industry agreements are due to expire between the September quarter 2002 and the March quarter 2003. These agreements cover a total of around 64 300 employees and provide an aggregate AAWI of 5.3 per cent per employee.

Of these expiring construction agreements, over 650, covering almost 12 000 employees, expire in NSW during the second half of 2002. In Victoria, almost 3700 agreements, covering almost 31 000 employees, expire during the second half of 2002 and over 1400 agreements, covering over 14 000 employees, expire in the March quarter 2003.

## **Government administration**

There were 61 agreements certified in the Government administration industry during the June 2002 quarter, providing wage increases of 4.2 per cent per employee to an estimated 62 900 employees.

- The AAWI per employee fell 0.1 percentage points from the March quarter 2002 figure of 4.3 per cent per employee.

**TABLE 4: FEDERAL WAGE AGREEMENTS - CERTIFIED AND CURRENT, JUNE QUARTER 1999 - JUNE QUARTER 2002 & EXPIRING FEDERAL WAGE AGREEMENTS, JUNE QUARTER 2002 - JUNE QUARTER 2005**

<b>FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER</b>	Jun-99	Sep-99	Dec-99	Mar-00	Jun-00	Sep-00	Dec-00	Mar-01	Jun-01	Sep-01	Dec-01	Mar-02	Jun-02
<b>PUBLIC SECTOR</b>	146	269	180	176	131	214	194	146	95	97	113	110	88
AAWI (%)	3.4	3.3	3.0	3.2	3.3	4.5	3.8	3.8	4.1	4.0	3.7	3.9	4.3
Employees ('000)	111.6	29.5	48.5	43.8	42.8	81.6	137.6	108.4	63.8	40.2	81.7	51.8	77.8
<b>PRIVATE SECTOR</b>	1210	1237	1287	1097	1003	1776	2152	1562	1318	1702	1531	1668	1185
AAWI (%)	3.7	3.4	3.5	3.6	3.8	4.0	4.2	3.7	3.9	3.8	3.9	3.6	3.2
Employees ('000)	86.8	93.0	109.7	59.1	62.6	94.9	143.5	92.1	130.5	119.8	109.8	156.4	133.5
<b>ALL INDUSTRIES</b>	1356	1506	1467	1273	1134	1990	2346	1708	1413	1799	1644	1778	1273
AAWI (%)	3.5	3.4	3.3	3.4	3.6	4.3	4.0	3.8	4.0	3.8	3.8	3.6	3.6
Employees ('000)	198.4	122.6	158.1	102.9	105.3	176.5	281.1	200.4	194.3	160.0	191.5	208.2	211.3

<b>FOR ALL CURRENT AGREEMENTS</b>	Jun-99	Sep-99	Dec-99	Mar-00	Jun-00	Sep-00	Dec-00	Mar-01	Jun-01	Sep-01	Dec-01	Mar-02	Jun-02
<b>PUBLIC SECTOR</b>	1355	1159	1253	1314	1358	1291	1236	1260	1216	1144	1127	1107	1055
AAWI (%)	3.6	3.5	3.4	3.4	3.4	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.9
Employees ('000)	547.3	443.5	443.9	469.4	456.2	477.5	498.4	569.7	599.7	532.1	588.6	594.0	595.1
<b>PRIVATE SECTOR</b>	10143	10352	7952	7030	7367	7136	8607	9519	10225	10686	11642	12571	13251
AAWI (%)	3.9	3.9	3.7	3.7	3.6	3.6	3.7	3.6	3.7	3.7	3.8	3.8	3.7
Employees ('000)	911.5	914.9	945.8	926.9	890.7	812.1	854.8	830.7	879.5	822.1	854.9	892.6	947.4
<b>ALL INDUSTRIES</b>	11498	11511	9205	8344	8725	8427	9843	10779	11441	11830	12769	13678	14306
AAWI (%)	3.8	3.7	3.6	3.6	3.5	3.6	3.6	3.6	3.7	3.7	3.7	3.8	3.8
Employees ('000)	1458.8	1358.4	1389.7	1396.3	1346.8	1289.6	1353.1	1400.3	1479.2	1354.2	1443.5	1486.6	1542.4

<b>FOR ALL EXPIRING AGREEMENTS</b>	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05
<b>PUBLIC SECTOR</b>	242	117	117	115	201	78	72	50	70	17	36	20	9
AAWI (%)	3.3	3.3	3.7	4.1	4.0	4.5	4.1	3.5	3.9	4.8	3.8	4.2	4.9
Employees ('000)	126.0	35.1	60.8	47.4	108.1	57.2	56.4	102.7	27.9	11.2	24.4	2.7	8.5
<b>PRIVATE SECTOR</b>	810	1684	4108	2590	1113	625	581	395	553	324	418	213	235
AAWI (%)	3.9	4.2	4.2	4.1	3.8	3.8	3.7	3.9	3.5	3.1	3.7	3.1	2.9
Employees ('000)	107.4	90.6	96.1	101.6	89.3	88.6	57.5	45.2	118.5	84.7	34.1	71.2	30.9
<b>ALL INDUSTRIES</b>	1052	1801	4225	2705	1314	703	653	445	623	341	454	233	244
AAWI (%)	3.5	3.9	4.0	4.1	3.9	4.1	3.9	3.6	3.6	3.4	3.7	3.2	3.4
Employees ('000)	233.3	125.8	156.8	149.0	197.5	145.8	113.9	147.9	146.4	95.9	58.5	73.8	39.4

**Notes:** 1. AAWI = Average Annual Wage Increase per employee

2. Agreement and employee estimates are for all federal wage agreements in the period, while estimates of AAWI per employee are based on quantifiable wage agreements.

**Source:** Workplace Agreements Database, DEWR, 28 August 2002. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

**TABLE 5: FEDERAL WAGE AGREEMENTS, BY ANZSIC DIVISION, JUNE QUARTER 1999 - JUNE QUARTER 2002 - (Part One)**

<b>FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER</b>	Jun-99	Sep-99	Dec-99	Mar-00	Jun-00	Sep-00	Dec-00	Mar-01	Jun-01	Sep-01	Dec-01	Mar-02	Jun-02
<b>ANZSIC DIVISION</b>													
<b>Agriculture, forestry and fishing</b>	5	4	6	5	3	11	16	7	6	8	22	13	7
AAWI (%)	4.0	3.1	3.4	3.6	3.5	3.4	4.1	3.3	2.0	4.4	3.3	2.4	3.4
Employees	100	1900	400	200	200	2600	700	400	100	600	2300	800	100
<b>Mining</b>	43	43	23	36	26	22	42	21	26	34	36	16	36
AAWI (%)	3.7	2.5	4.3	2.8	2.8	4.2	3.2	2.4	4.3	3.4	2.7	4.8	2.1
Employees	1900	6400	1200	1800	1000	1500	2000	1100	2300	4400	2900	800	2400
<b>Manufacturing</b>	364	402	403	314	280	396	502	410	310	389	453	346	275
AAWI (%)	3.9	3.7	3.8	3.6	3.5	3.9	4.4	4.1	3.9	4.2	4.2	4.2	4.0
Employees	23400	30700	38700	22300	19800	25500	44500	28300	18500	28700	43400	24800	15700
<i>Non-metals manufacturing</i>	170	224	221	173	151	215	259	206	175	234	258	173	167
AAWI (%)	4.0	3.4	3.5	3.5	3.4	3.7	3.8	3.9	3.8	4.1	3.7	3.9	4.1
Employees	12100	14400	20600	14400	11700	13300	20100	18200	12900	18700	22600	13300	8900
<i>Metals manufacturing</i>	194	178	182	141	129	181	243	204	135	155	195	173	108
AAWI (%)	3.8	3.9	4.0	3.9	3.7	4.1	4.8	4.4	4.2	4.3	4.7	4.5	3.9
Employees	11300	16200	18100	7800	8100	12200	24500	10100	5600	10000	20800	11500	6700
<b>Electricity, gas and water supply</b>	46	19	38	14	9	14	21	11	17	14	16	11	11
AAWI (%)	3.4	3.5	3.7	3.6	4.2	4.2	3.8	3.9	4.2	4.7	4.6	3.5	3.9
Employees	600	6600	1600	4800	500	2100	1200	2500	1400	1300	2200	1100	2300
<b>Construction</b>	504	482	529	498	444	983	1254	848	608	763	617	998	578
AAWI (%)	6.1	5.4	5.2	4.8	4.4	5.5	5.9	5.5	5.4	5.3	4.4	5.2	4.8
Employees	5600	5000	7600	8800	8300	13500	16500	10100	5900	7300	5800	8000	5100
<b>Wholesale trade</b>	6	19	26	10	10	12	13	8	5	12	9	4	9
AAWI (%)	2.9	3.9	2.9	2.5	4.1	4.5	3.9	4.1	4.3	3.8	3.2	4.3	3.3
Employees	300	800	1600	600	600	600	2400	300	100	1300	500	700	300
<b>Retail trade</b>	15	22	30	15	35	36	30	32	32	105	64	27	37
AAWI (%)	4.0	2.7	3.1	2.3	3.6	3.2	3.6	2.4	3.2	3.4	3.5	3.2	2.9
Employees	3400	18500	34900	2200	16600	11800	34800	28600	31900	28100	22200	77800	77400
<b>ALL INDUSTRIES</b>	1356	1506	1467	1273	1134	1990	2346	1708	1413	1799	1644	1778	1273
AAWI (%)	3.5	3.4	3.3	3.4	3.6	4.3	4.0	3.8	4.0	3.8	3.8	3.6	3.6
Employees ('000)	198.4	122.6	158.1	102.9	105.3	176.5	281.1	200.4	194.3	160.0	191.5	208.2	211.3

Notes: 1. AAWI = Average Annual Wage Increase per employee

2. Agreement and employee estimates are for all federal wage agreements in the period, while estimates of AAWI per employee are based on quantifiable wage agreements.

3. \* No quantifiable agreements were certified this quarter so that no AAWI is calculable.

4. The manufacturing category has been disaggregated into metals and non-metals industries. Other industry groupings can be derived as follows:

'Infrastructure services' - ANZSIC Divisions D, E, I and J (Electricity, gas and water supply; Construction; Transport and storage; Communication services).

'Other services' - ANZSIC Divisions F, G, H, K, L, N, O, P, Q (Wholesale trade; Retail trade; Accommodation, cafes and restaurants; Finance and insurance; Property and business; services; Education; Health and community services; Cultural and recreational services; Personal and other services).

'Government administration' ANZSIC - Division M (Govt admin and defence).

Source: Workplace Agreements Database, DEWR, 28 August 2002. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

**TABLE 5: FEDERAL WAGE AGREEMENTS, BY ANZSIC DIVISION, JUNE QUARTER 1999 - JUNE QUARTER 2002 - (Final Part)**

<b>FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER</b>	Jun-99	Sep-99	Dec-99	Mar-00	Jun-00	Sep-00	Dec-00	Mar-01	Jun-01	Sep-01	Dec-01	Mar-02	Jun-02
<b>ANZSIC DIVISION</b>													
<b>Accommodation, cafes and restaurants</b>	12	16	15	15	15	15	13	12	15	26	12	16	4
AAWI (%)	1.8	2.6	2.4	4.7	3.7	3.8	2.7	4.1	1.1	2.6	2.3	2.6	2.4
Employees	2800	700	4300	600	2200	1600	1300	1100	1300	12300	700	1400	100
<b>Transport and storage</b>	104	111	114	93	82	180	160	131	102	134	124	90	77
AAWI (%)	3.0	2.9	4.1	3.0	4.1	3.8	3.3	3.4	3.3	3.8	3.8	3.5	3.2
Employees	31800	7400	5700	11500	4100	12400	24200	6600	7000	10300	10000	14600	12800
<b>Communication services</b>	4	2	5	0	4	5	9	3	4	6	4	3	3
AAWI (%)	3.9	5.0	4.4	*	4.1	3.5	3.8	*	4.1	3.7	4.0	3.7	2.3
Employees	35800	1000	200	0	200	1500	43700	200	1800	1000	400	35100	100
<b>Finance and insurance</b>	11	12	11	8	11	12	12	11	14	13	9	7	13
AAWI (%)	3.3	2.9	3.6	3.2	4.4	4.8	5.1	4.9	4.5	3.6	3.7	3.5	3.1
Employees	8800	4200	8600	3700	3300	12500	9300	4100	26900	6100	5200	7400	3500
<b>Property and business services</b>	22	24	26	27	34	33	38	23	35	27	47	32	31
AAWI (%)	4.8	5.4	3.6	4.1	3.8	3.2	3.3	3.2	3.8	3.3	4.0	3.6	5.1
Employees	5300	1500	2100	2200	4100	2400	3800	3000	13700	3600	6100	2400	11400
<b>Government administration and defence</b>	51	82	82	65	50	91	84	56	58	66	68	56	61
AAWI (%)	3.1	2.9	2.7	3.2	3.6	5.0	3.8	4.0	4.5	4.1	3.7	4.3	4.2
Employees	36400	10100	20900	19800	11700	50500	35900	9700	17600	9600	38200	9200	62900
<b>Education</b>	16	27	21	18	23	33	56	51	34	26	28	29	19
AAWI (%)	4.0	4.1	3.2	3.3	3.8	3.6	4.5	3.9	3.9	3.9	3.3	3.8	5.1
Employees	13900	8000	10300	9300	13400	18300	29100	91500	43100	8300	17900	4000	1500
<b>Health and community services</b>	123	207	110	123	82	106	53	52	108	127	88	94	77
AAWI (%)	3.5	3.0	3.0	2.9	2.8	3.3	3.0	3.6	4.4	4.2	3.7	4.8	4.0
Employees	24600	10200	13800	6800	12900	10400	27600	8200	14700	30600	18300	13000	10900
<b>Cultural and recreational services</b>	21	14	14	21	11	21	27	18	28	33	21	21	16
AAWI (%)	2.5	3.9	3.7	3.2	2.7	3.7	3.8	4.8	3.6	3.7	2.6	3.0	4.0
Employees	1500	7900	2700	7200	5300	7200	3200	3900	7600	5500	3500	5900	2900
<b>Personal and other services</b>	9	20	14	11	15	20	16	14	11	16	26	15	19
AAWI (%)	2.8	3.7	3.9	2.8	3.1	3.5	3.0	3.4	2.6	4.0	4.7	4.0	3.6
Employees	2300	1800	3600	1100	1200	2000	800	1000	400	1000	11800	1100	1900
<b>ALL INDUSTRIES</b>	1356	1506	1467	1273	1134	1990	2346	1708	1413	1799	1644	1778	1273
AAWI (%)	3.5	3.4	3.3	3.4	3.6	4.3	4.0	3.8	4.0	3.8	3.8	3.6	3.6
Employees ('000)	198.4	122.6	158.1	102.9	105.3	176.5	281.1	200.4	194.3	160.0	191.5	208.2	211.3

Notes: 1. AAWI = Average Annual Wage Increase per employee

2. Agreement and employee estimates are for all federal wage agreements in the period, while estimates of AAWI per employee are based on quantifiable wage agreements.

3. \* No quantifiable agreements were certified this quarter so that no AAWI is calculable.

4. The manufacturing category has been disaggregated into metals and non-metals industries. Other industry groupings can be derived as follows:

'Infrastructure services' - ANZSIC Divisions D, E, I and J (Electricity, gas and water supply; Construction; Transport and storage; Communication services).

'Other services' - ANZSIC Divisions F, G, H, K, L, N, O, P, Q (Wholesale trade; Retail trade; Accommodation, cafes and restaurants; Finance and insurance; Property and business; services; Education; Health and community services; Cultural and recreational services; Personal and other services).

'Government administration' ANZSIC - Division M (Govt admin and defence).

Source: Workplace Agreements Database, DEWR, 28 August 2002. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

**TABLE 6: EXPIRING FEDERAL WAGE AGREEMENTS, BY ANZSIC DIVISION, JUNE QUARTER 2002 - JUNE QUARTER 2005 - (Part One)**

FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05
<b>ANZSIC DIVISION</b>													
<b>Agriculture, forestry and fishing</b>	6	8	7	6	2	8	8	4	6	2	12	8	4
AAWI (%)	3.0	2.9	3.3	4.0	3.3	3.7	3.5	2.6	4.2	*	1.0	1.9	*
Employees	200	400	200	200	2200	600	1800	100	400	200	400	500	100
<b>Mining</b>	15	34	46	18	24	21	20	13	21	17	16	10	11
AAWI (%)	3.8	2.8	4.4	4.5	2.9	3.7	1.4	2.4	2.0	3.6	2.5	2.4	4.8
Employees	1400	1700	2400	1000	1800	1100	800	600	1200	3900	1100	600	1300
<b>Manufacturing</b>	322	207	244	710	404	263	202	118	166	86	94	66	39
AAWI (%)	3.7	3.6	3.4	4.7	3.9	4.1	3.8	4.1	4.5	3.9	4.6	4.5	3.6
Employees	18500	15500	15500	32800	32300	25200	13800	8600	20400	8000	11700	6500	2200
<i>Non-metals manufacturing</i>	185	131	150	254	235	168	119	74	101	65	72	37	22
AAWI (%)	3.7	3.5	3.3	4.3	3.7	3.8	3.7	4.1	4.4	4.0	3.6	3.3	4.0
Employees	11300	11300	10400	12100	20900	13800	9900	5700	9500	6500	4200	2000	1300
<i>Metals manufacturing</i>	137	76	94	456	169	95	83	44	65	21	22	29	17
AAWI (%)	3.8	3.6	3.6	4.9	4.2	4.5	4.1	4.1	4.6	3.7	5.1	4.8	3.4
Employees	7200	4200	5100	20700	11400	11400	3800	2900	11000	1500	7400	4500	900
<b>Electricity, gas and water supply</b>	10	21	11	10	12	10	18	2	5	4	9	3	4
AAWI (%)	4.5	3.3	4.2	3.6	3.6	3.7	4.0	*	4.0	4.9	4.7	4.0	3.8
Employees	500	5200	300	500	1700	1200	3400	#	300	600	1400	100	800
<b>Construction</b>	119	1172	3516	1542	253	104	141	83	57	59	161	53	99
AAWI (%)	3.6	4.7	6.4	4.9	4.1	4.2	4.0	3.8	3.7	3.8	3.6	4.3	4.0
Employees	2900	16600	30600	17100	4800	3000	2500	1300	1000	1100	2000	500	900
<b>Wholesale trade</b>	13	10	6	17	9	7	4	5	2	2	3	1	1
AAWI (%)	2.3	4.0	4.6	3.9	3.5	3.9	3.8	3.4	4.4	2.0	2.5	3.7	*
Employees	900	800	700	1000	400	900	1200	700	100	100	100	#	#
<b>Retail trade</b>	20	20	20	25	26	40	21	16	112	26	31	4	16
AAWI (%)	2.6	4.1	2.4	3.1	3.6	3.4	3.6	3.1	3.3	2.9	2.3	3.0	2.5
Employees	7000	25600	22600	21600	13900	36400	9800	3200	76200	40200	3700	56200	16100
<b>ALL INDUSTRIES</b>	1052	1801	4225	2705	1314	703	653	445	623	341	454	233	244
AAWI (%)	3.5	3.9	4.0	4.1	3.9	4.1	3.9	3.6	3.6	3.4	3.7	3.2	3.4
Employees	233300	125800	156800	149000	197400	145800	113900	147900	146400	95900	58500	73800	39400

Notes: 1. AAWI = Average Annual Wage Increase per employee

2. Agreement and employee estimates are for all federal wage agreements in the period, while estimates of AAWI per employee are based on quantifiable wage agreements.

3. \* No quantifiable agreements were certified this quarter so that no AAWI is calculable. # Less than 100 employees.

4. The manufacturing category has been disaggregated into metals and non-metals industries. Other industry groupings can be derived as follows:

'Infrastructure services' - ANZSIC Divisions D, E, I and J (Electricity, gas and water supply; Construction; Transport and storage; Communication services).

'Other services' - ANZSIC Divisions F, G, H, K, L, N, O, P, Q (Wholesale trade; Retail trade; Accommodation, cafes and restaurants; Finance and insurance; Property and business; services; Education; Health and community services; Cultural and recreational services; Personal and other services).

'Government administration' ANZSIC - Division M (Govt admin and defence).

Source: Workplace Agreements Database, DEWR, 28 August 2002. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

**TABLE 6: EXPIRING FEDERAL WAGE AGREEMENTS, BY ANZSIC DIVISION, JUNE QUARTER 2002 - JUNE QUARTER 2005 - (Final Part)**

<b>FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER</b>	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05
<b>ANZSIC DIVISION</b>													
<b>Accommodation, cafes and restaurants</b>	10	20	13	17	20	11	7	9	3	10	10	8	3
AAWI (%)	3.0	3.9	3.4	4.7	2.8	3.0	2.8	1.8	2.2	2.6	2.5	3.0	1.9
Employees	400	1300	700	1100	2300	600	600	900	200	10300	1100	400	100
<b>Transport and storage</b>	156	95	144	123	172	82	66	51	59	48	29	23	12
AAWI (%)	3.2	3.3	3.3	3.1	3.8	3.6	3.2	3.6	3.5	3.4	3.6	3.5	3.0
Employees	30600	4000	10500	7700	15900	4400	5200	3800	1800	3300	2200	900	4600
<b>Communication services</b>	2	4	7	4	6	3	3	4	1	3	0	0	2
AAWI (%)	3.0	3.0	4.0	2.6	4.0	4.0	*	3.7	*	3.6	*	*	2.0
Employees	6000	1200	31200	200	1700	800	6700	35400	100	#	0	0	100
<b>Finance and insurance</b>	16	9	12	10	8	10	12	6	9	1	6	0	3
AAWI (%)	4.3	4.8	4.2	3.5	3.7	3.6	3.3	3.5	3.6	5.0	3.1	*	*
Employees	29300	12100	4300	7300	2100	11300	3100	5100	1000	900	2900	0	200
<b>Property and business services</b>	33	24	27	47	38	14	23	14	23	16	14	4	10
AAWI (%)	4.0	3.5	3.2	3.5	3.8	1.6	4.7	3.7	2.6	3.4	3.6	2.2	5.0
Employees	12900	2100	2900	4000	10000	900	2900	1300	1800	2800	600	#	8300
<b>Government administration and defence</b>	94	78	60	39	97	47	45	26	49	11	14	8	6
AAWI (%)	3.3	3.4	3.2	3.4	4.5	4.2	4.0	3.7	4.1	5.6	3.9	3.8	4.1
Employees	59800	24700	9200	5400	27900	13500	51200	8100	10900	5900	1500	1300	2200
<b>Education</b>	16	14	38	64	49	26	17	17	8	6	16	12	2
AAWI (%)	2.8	3.7	3.8	4.3	3.8	4.7	4.6	3.3	3.4	4.4	2.9	1.5	*
Employees	4400	5500	12600	40500	70000	37100	2200	55800	500	1400	12000	700	300
<b>Health and community services</b>	131	43	32	48	163	36	41	65	78	27	23	25	22
AAWI (%)	3.3	3.1	2.6	3.8	3.8	4.8	4.3	4.3	3.8	3.8	3.7	4.3	4.0
Employees	42000	3100	3800	2300	7500	7000	5500	21400	26100	9800	5400	3400	1000
<b>Cultural and recreational services</b>	62	17	24	10	20	11	12	4	12	11	7	5	5
AAWI (%)	3.7	3.7	2.7	3.1	3.5	2.5	4.0	4.5	2.7	2.6	1.7	2.9	3.9
Employees	13700	4300	6000	5300	2400	600	2700	1100	2900	6600	1400	2300	800
<b>Personal and other services</b>	27	25	18	15	11	10	13	8	12	12	9	3	5
AAWI (%)	2.9	3.2	3.8	4.0	2.3	3.6	3.5	4.8	3.7	3.6	4.7	4.0	1.7
Employees	2800	1700	3300	1100	500	1200	500	500	1500	700	11000	200	300
<b>ALL INDUSTRIES</b>	1052	1801	4225	2705	1314	703	653	445	623	341	454	233	244
AAWI (%)	3.5	3.9	4.0	4.1	3.9	4.1	3.9	3.6	3.6	3.4	3.7	3.2	3.4
Employees	233300	125800	156800	149000	197500	145800	113900	147900	146400	95900	58500	73800	39400

Notes: 1. AAWI = Average Annual Wage Increase per employee

2. Agreement and employee estimates are for all federal wage agreements in the period, while estimates of AAWI per employee are based on quantifiable wage agreements.

3. \* No quantifiable agreements were certified this quarter so that no AAWI is calculable. # Less than 100 employees

4. The manufacturing category has been disaggregated into metals and non-metals industries. Other industry groupings can be derived as follows:

'Infrastructure services' - ANZSIC Divisions D, E, I and J (Electricity, gas and water supply; Construction; Transport and storage; Communication services).

'Other services' - ANZSIC Divisions F, G, H, K, L, N, O, P, Q (Wholesale trade; Retail trade; Accommodation, cafes and restaurants; Finance and insurance; Property and business; services; Education; Health and community services; Cultural and recreational services; Personal and other services).

'Government administration' ANZSIC - Division M (Govt admin and defence).

Source: Workplace Agreements Database, DEWR, 28 August 2002. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

**SHIFTWORK PROVISIONS IN CERTIFIED AGREEMENTS**

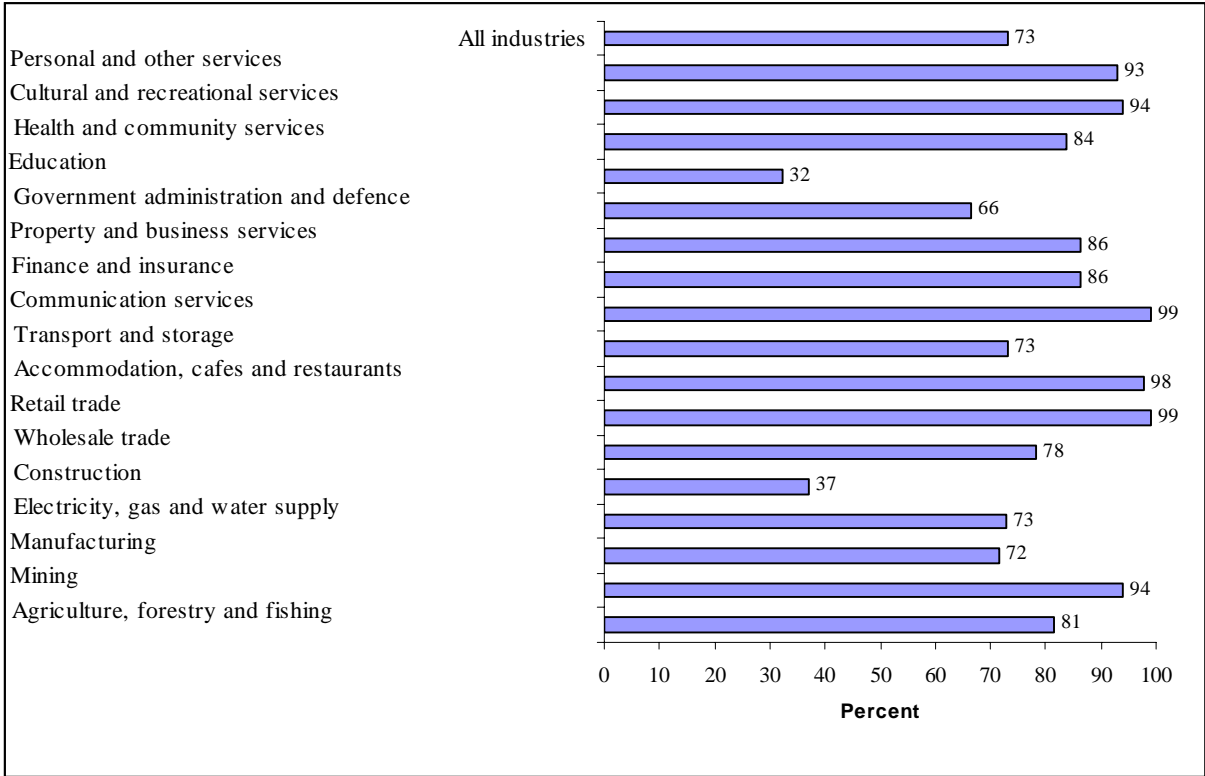
**Spread and coverage overview**

Shiftwork is defined as “...work regularly carried out at hours outside the normal spread of hours in addition to work within the spread, the system is usually described as being one of shiftwork. The basic concept is that work performed by one employee or group of employees during a shift of eight hours is continued by another employee or group of employees for the next succeeding eight hours<sup>2</sup>.” However with new flexible working provisions, shiftwork provisions are moving away from the traditional definition and are becoming more diverse.

Of all agreements that were current at 31 March 2002, 48 per cent contained some type of shiftwork provision. Most but not all agreements contain both shiftwork and shift penalties/loading provisions. However it should be noted that shiftwork is an allowable award matter and non-comprehensive agreements without shiftwork may be read in conjunction with an award with shiftwork provisions.

Chart 6 indicates that 73 per cent of employees under current federal certified agreements are covered by agreements containing shiftwork provisions. The two industries with fairly low employee coverage of shiftwork provisions in agreements are education and construction with 32 and 37 per cent respectively. Government administration and defence has 66 per cent of employees covered by agreements containing shiftwork provisions. All the remaining industries have over 70 per cent.

**Chart 6: Employee coverage of federal certified agreements current at 31 March 2002 that contained any type of shiftwork provision, by industry**



Source: DEWR, Workplace Agreements Database (WAD).

<sup>2</sup> CCH “Australian Employment Law Guide” para [38-000] at 02/01

Table 7 compares the distribution of agreements across size ranges, for all agreements and for agreements containing a type of shiftwork provision. The table indicates that agreements covering a large number of employees are slightly more likely to contain such provisions.

**Table 7: Distribution of current federal certified agreements by size**

	Employees			
	0 - 19 %	20 - 99 %	100 - 499 %	500 or over %
All current agreements	62.0	25.0	10.1	2.9
Current agreements with shiftwork provisions	52.0	29.4	14.2	4.3

Source: DEWR Workplace Agreements Database (WAD).

**Types of shiftwork provision**

Shiftwork can be carried out in numerous ways and agreements are coded for the following provisions:

- Fixed shifts - a permanent shift system, for example an employee is allocated to either a morning, afternoon or night shift for a period of time.
- Rotating shifts - a cyclical shift system where employees are rotated through a morning, afternoon and night shift. For example, an employee may work two day shifts followed by three nights shifts, followed by a morning shift.
- Continuous shifts - utilised when the workplace has a 24 hour production cycle. The cycle is usually set up so that an employee will not sign out of his/her place of work until they have been replaced by an incoming employee.
- 12 hours shifts - the employee can or will work for 12 hours within a shift in contrast to the standard of eight to ten hours.
- Other shifts - any other type of shift that workplaces are currently utilising. The two main types are split shifts system where the employee works half their shift in the morning and then returning to complete it in the evening, and a swing shift, where employees are rostered to work everyday over a certain time period and then have a break. For example seven days a week for three weeks and receive the fourth week ‘off’.

Shift workers that work on a seven day shift cycle (i.e. work on any day of the week between Monday and Sunday) will often have access to a greater annual leave entitlement, usually five extra days. A typical clause in an agreement may read as follows:

*“Employees (other than seven (7) day shift workers) will be entitled to twenty (20) days (152 hours) as annual leave per year. This entitlement will apply after (12) months continuous service (minus the period of annual leave.) Seven (7) day shift workers will be entitled to twenty five (25) days (190 hours) annual leave per year. This entitlement will apply after twelve (12) months continuous service (minus the period of annual leave)<sup>3</sup>.”*

<sup>3</sup> BP AMOCO Enterprise Agreement 2002 (AG817146).

## *Distribution of shiftwork provisions*

Sixty-five per cent of agreements with shiftwork provisions contain shift penalties/loadings. Other agreements may not be comprehensive and be read in conjunction with award provisions for penalties. These were generally variable loadings per shift where the rate changes depending on the type of shift that is being worked. For example an employee may receive a 15 per cent loading while on a night shift roster with a lesser loading for afternoon shift and no loading for day shift work. Over 40 per cent of agreements that have shiftwork provisions contain shift rosters. Shift rosters ensure that workers are allocated work times and ensure adequate support for production. They also inform the employee of their forthcoming working pattern.

**Table 8: Current\* federal certified agreements with shiftwork provisions (breakdown of provisions)**

Provisions	Number of Agreements	% of Agreements
Shiftwork Rosters	2705	41
Shift/roster introduced after consultation	484	7
Notification of Shift/Roster Variation	1734	26
Type of Shifts		
Fixed Shift	752	11
Rotating Shift	678	10
Continuous Shift	711	11
12 Hour Shift	1144	17
Other Type of Shift <sup>#</sup>	325	5
Overtime on the Completion of Shift	1524	23
Shift Penalties/loadings	4300	65
Common Loading Per Shift	92	1
Variable Loading Per Shift	3793	57
Absorbed	384	6
Number of Agreements with Shiftwork	6647	100

\* Current as at 31/3/02

<sup>#</sup> Primarily swing shifts and split shifts

Source: DEWR Workplace Agreements Database (WAD).

## *Industry*

Shiftwork provisions are most common in agreements in the accommodation, cafes and restaurant industry followed by the retail, mining and cultural & recreational services industries - over 80 per cent of current agreements.

The most innovative shiftwork provisions were found in the mining and accommodation, cafes and restaurant industries. The mining industry agreements utilised a variety of shiftwork types, recording over 20 per cent for fixed, rotating and continuous shifts and over 40 per cent for 12 hours shifts. The accommodation, cafes and restaurant industry has the highest incidence of other types of shifts which include split shifts. The nature of hospitality would be conducive to split shifts in order to cater for the demand in business at certain times of the day.

The accommodation, cafes and restaurant and mining agreements contained a high incidence of agreements that absorbed shift penalties into a higher base rate. This could be due to the regularity of shift work in these industries and in the case of the former, the need for many businesses to operate seven days a week and at night.

Shiftwork is not utilised in many parts of some industries such as in the construction and education industry as indicated by the low incidence of shiftwork provisions in these industries.

**Table 9: Shiftwork provisions in current\* federal certified agreements by industry**

Industry	Shiftwork Provisions (other than penalties) (%)	Shiftwork Rosters (%)	Shift/roster introduced after consultation (%)	Notification of Shift/Roster Variation (%)	Type of Shifts	Fixed Shift (%)	Rotating Shift (%)	Continuous Shift (%)	12 Hour Shift (%)	Other Type of Shift# (%)	Overtime on the Completion of Shift (%)	Shift Penalties/loadings (%)	Common Loading Per Shift (%)	Variable Loading Per Shift (%)	Absorbed (%)
Agriculture, Forestry & Fishing	48	32	0	14		2	4	2	20	4	9	26	1	23	1
Mining	85	52	14	30		21	21	21	44	6	25	56	2	42	14
Manufacturing	53	23	6	15		10	10	13	17	1	11	35	1	30	4
Electricity, Gas & Water Supply	57	32	7	15		7	15	9	21	3	21	34	1	25	9
Construction	18	5	1	3		2	1	2	2	1	8	27	0	26	0
Wholesale Trade	65	38	10	27		6	14	6	14	1	21	43	1	38	3
Retail Trade	86	76	5	67		7	5	2	4	15	26	42	2	39	3
Accommodation, Cafes & Restaurants	89	74	6	61		3	4	5	40	39	23	47	1	32	24
Transport and Storage	65	38	3	26		8	7	6	13	5	14	36	1	28	7
Communication Services	71	39	13	32		11	8	11	11	0	26	68	5	63	3
Finance & Insurance	57	31	12	27		3	6	5	10	0	24	33	0	32	2
Property & Business Services	64	34	5	24		8	10	5	18	4	17	42	1	35	8
Govt Administration & Defence	34	22	4	9		1	1	1	4	2	7	14	0	13	2
Education	26	16	1	10		4	5	1	2	1	11	24	1	21	2
Health & Community Services	50	34	9	11		6	9	2	6	4	8	26	1	23	2
Cultural & Recreational Services	82	48	13	44		14	7	3	12	9	15	43	1	38	7
Personal & Other Services	68	46	6	19		6	12	6	16	3	17	28	0	18	8
<b>TOTAL</b>	<b>38</b>	<b>19</b>	<b>3</b>	<b>12</b>		<b>5</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>2</b>	<b>11</b>	<b>31</b>	<b>1</b>	<b>27</b>	<b>3</b>

\* Current as at 31/3/02

# Primarily swing shifts and split shifts

Source: DEWR Workplace Agreements Database (WAD).

## Sector

Agreements differed in their inclusion of shiftwork provisions such as shift rosters and variable loading per shift. Private sector agreements have a lower incidence overall of shiftwork provisions (38 per cent compared to 43 per cent). The main exception to this is variable loadings per shift. However the coverage of employees is larger than in the public sector (74 per cent compared to 59 per cent). This would suggest that it is larger private sector agreements that contain shiftwork provisions. This trend is similar for most provisions.

**Table 10: Shiftwork provisions in current\* federal certified agreements by sector**

Sector	Agreements (%)		Employees (%)	
	Private	Public	Private	Public
Shiftwork Provisions ( <i>other than penalties</i> )	38	43	74	59
Shiftwork Rosters	18	30	52	47
Shift/roster introduced after consultation	3	8	7	15
Notification of Shift/Roster Variation	12	12	43	25
Type of Shift				
Fixed Shift	6	2	9	7
Rotating Shift	5	4	10	3
Continuous Shift	5	2	8	3
12 Hour Shift	8	6	15	12
Other Type of Shift <sup>#</sup>	2	2	10	3
Overtime on the Completion of Shift	11	10	25	21
Shift Penalties/loadings	32	22	50	47
Common Loading Per Shift	1	1	1	9
Variable Loading Per Shift	28	19	44	40
Absorbed	3	3	5	6

\* Current as at 31/3/02

<sup>#</sup> Primarily swing shifts and split shifts

Source: DEWR Workplace Agreements Database (WAD).

## Section type

Agreements made under section 170LK are more likely to have shiftwork provisions than those made under section 170LJ. This is also the case for many of the specified shiftwork provisions, for example shift work rosters and 12 hour shifts. However coverage tends to be greater in 170LJ agreements (except 12 hours shifts) which suggest that larger 170LJ agreements are containing shiftwork provisions.

**Table 11: Shiftwork provisions in current\* federal certified agreements by agreement type**

Agreement Type	170LJ		170LK	
	Agreements (%)		Employees (%)	
Shiftwork Provisions ( <i>other than penalties</i> )	30	55	70	63
Shiftwork Rosters	15	32	53	43
Shift/roster introduced after consultation	3	3	9	11
Notification of Shift/Roster Variation	10	23	41	31
Type of Shift				
Fixed Shift	5	4	9	5
Rotating Shift	5	5	7	5
Continuous Shift	4	4	5	3
12 Hour Shift	7	15	14	21
Other Type of Shift <sup>#</sup>	2	6	8	6
Overtime on the Completion of Shift	7	13	27	14
Shift Penalties/loadings	28	32	51	46
Common Loading Per Shift	1	1	6	1
Variable Loading Per Shift	25	24	45	41
Absorbed	2	6	6	4

\* Current as at 31/3/02

<sup>#</sup> Primarily swing shifts and split shifts

Source: DEWR Workplace Agreements Database, (WAD).

### Organisational size

Evidence suggests that larger organisations are more likely to contain shiftwork provisions. However continuous shiftwork is more prominent in medium sized organisations.

**Table 12: Shiftwork provisions in current\* federal certified agreements by organisational size**

Organisational Size (Employees)	% of Agreements			
	<=19	20-99	100-499	500+
Shiftwork Provisions ( <i>other than penalties</i> )	28	51	59	68
Shiftwork Rosters	12	27	34	50
Shift/roster introduced after consultation	2	5	8	7
Notification of Shift/Roster Variation	7	17	22	33
Types of Shifts				
Fixed Shift	3	8	10	12
Rotating Shift	2	8	10	11
Continuous Shift	3	8	9	6
12 Hour Shift	5	13	16	15
Other Type of Shift	1	4	4	9
Overtime on the Completion of Shift	9	12	15	23
Shift Penalties/loadings	27	33	39	48
Common Loading Per Shift	0	1	1	2
Variable Loading Per Shift	24	28	34	43
Absorbed	2	4	5	5

\* Current as at 31/3/02

<sup>#</sup> Primarily swing shifts and split shifts

Source: DEWR Workplace Agreements Database (WAD).

### Conclusions

Shiftwork conditions are dictated by the type of work that is being performed, hence the industry variations of certified agreements containing shift work provisions. The type of shift that is being utilised is also dependent on resources and when the demand for production or service is at its greatest.

## **TECHNICAL NOTES**

### **The Workplace Agreements Database**

The Workplace Agreements Database (WAD) is maintained by the Workplace Relations Policy & Legal Group of the Department of Employment and Workplace Relations (DEWR). The WAD contains information on all known federal enterprise agreements which have been certified or approved by the Australian Industrial Relations Commission (AIRC) since the introduction of enterprise bargaining in August 1991. The WAD covers general details (such as sector, ANZSIC, duration, employees covered), wage details (quantum and timing of increases), and employment conditions. Information entered on the WAD is derived from copies of federal agreements lodged with the Australian Industrial Registry.

### **Employee coverage**

Information on the number of employees covered by an agreement is drawn from the statutory declarations provided to the AIRC by the parties, along with AIRC transcripts and decisions, and employer contacts.

Actual employee numbers are known for 88 per cent of all new agreements certified in the June quarter 2002. Where an agreement's employee coverage is not known and the agreement replaces an earlier agreement where employee coverage is known, the employee coverage of the earlier agreement is used. For those agreements still lacking employee coverage a 'modified mean' is used to estimate employee coverage. The modified mean is generated for each industry group for the preceding year removing the largest 5 per cent and smallest 5 per cent of agreements, and then calculating the mean of the remainder.

### **Duration of agreements**

The WAD uses the 'effective duration' of each agreement rather than formal duration (that is, the period from certification to expiry) to measure agreement duration. The effective duration of a wage agreement is the difference in months between: (1) certification and expiry date, (2) commencement and expiry date, or (3) the date of the first wage increase and expiry date, whichever period is the greatest. Those few agreements with a formal duration of less than one year are deemed to have an effective duration of 12 months.

### **Average annualised wage increases**

Estimates of average wage increases are calculated for those federal wage agreements that paid *quantifiable* increases. Wage agreements whose average percentage increase could not be quantified (eg, those introducing a new salary structure) are excluded from these estimates.

For quantifiable wage agreements, the *average annualised wage increase (AAWI) per agreement* is calculated by (1) summing the percentage wage increases to give a total percentage wage increase for each agreement (flat dollar increases are converted to a percentage using average weekly ordinary time earnings (AWOTE) for the relevant ANZSIC industry division and quarter) and (2) annualising the total percentage wage increase by dividing it by the effective duration and multiplying it by 12.

AAWI per agreement provides only a simple unweighted average and tends to overstate the average wage increase received by employees. For this reason *Trends in Federal Enterprise Bargaining* reports the *average annualised wage increase (AAWI) per employee*, which is calculated by weighting AAWI per agreement by the number of employees covered by that agreement.

The *all current* wage estimates are the AAWI per employee for all quantifiable federal wage agreements that are current on the last day of the quarter. Current agreements are those agreements that have been certified but have neither been terminated nor expired at a given point in time. An agreement that expires on a given date is deemed to be current on that date.

Estimates of AAWI generally exclude increases paid in the form of conditional performance pay, one-off bonuses, profit sharing or share acquisition, as these data cannot readily be either quantified or annualised. This, along with the use of a simple rather than compound percentage wage increase, may result in a small under-estimation of average wage increases.

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