



TRENDS IN FEDERAL ENTERPRISE BARGAINING

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DECEMBER QUARTER 2001

KEY FIGURES

AVERAGE ANNUALISED WAGE INCREASES PER EMPLOYEE

	September quarter 2001 %	December quarter 2001 %	Change Points %
Wage agreements in the quarter			
All sectors	3.8(r)	3.8	0.0
Private sector	3.8	3.9	0.1
Public sector	4.0	3.7	-0.3
All current wage agreements			
All sectors	3.7	3.7	0.0
Private sector	3.7	3.8	0.1
Public sector	3.7(r)	3.7	0.0

NOTE: (r) indicates that the figure has been revised.

KEY POINTS

Agreements certified in the quarter

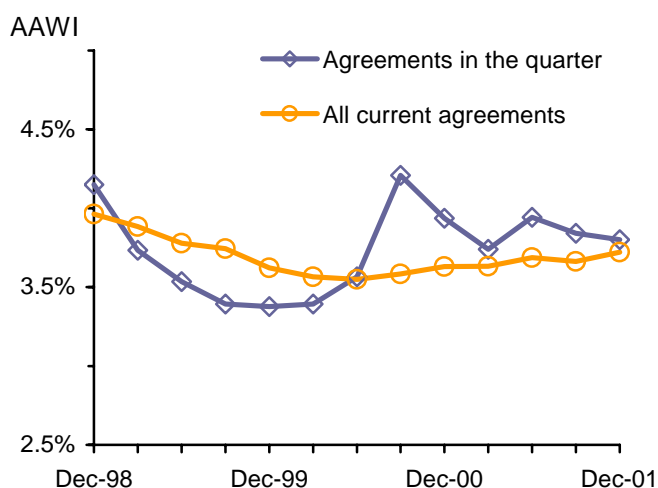
- Federal wage agreements certified in the December quarter 2001 allowed for an average annualised wage increase (AAWI) per employee of 3.8 per cent, unchanged from the revised September quarter AAWI.

All current agreements

- All current federal wage agreements, at 31 December 2001, provided an AAWI of 3.7 per cent per employee, unchanged from the September quarter.

Chart 1: Federal certified wage agreements

Average annualised wage increase



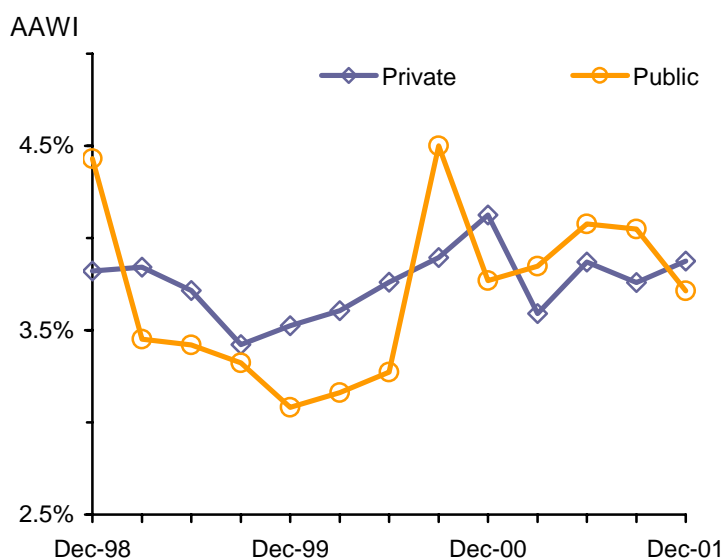
Source: DEWR Workplace Agreements Database (WAD)

Public and private sector agreements certified in the quarter

Private sector AAWI per employee for agreements certified in the December quarter rose slightly from the September quarter. However, public sector AAWI per employee fell by 0.3 percentage points from the September quarter owing to several large public sector agreements which granted lower than average AAWIs.

Of wage agreements certified in the December quarter, 6.8 per cent were in the public sector covering 42 per cent of employees under wage agreements. This compares to the September quarter when 5.3 per cent (r) were in the public sector covering 25 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 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 March quarter 2002 *Trends in Federal Enterprise Bargaining* report is scheduled for release in late May.
- **SPECIAL FEATURE:** The December quarter 2001 *Trends in Federal Enterprise Bargaining* includes information on the effect of major agreements on wage outcomes by sector and by industry group. A special feature provides more detailed information on agreement making in the finance and insurance industry.

PACE OF AGREEMENT MAKING

A total of 1675 agreements were certified in the December quarter 2001. These agreements covered an estimated 194 400 employees. This brings the total number of federal agreements formalised by the AIRC from August 1991 to the end of 2001 to 43 174.

Conditions only agreements certified during the quarter

Of agreements certified this quarter, 46 contained conditions of employment provisions only, representing 2.7 per cent of agreements and covering 2.4 per cent of employees.

Wage agreements certified during the quarter

There were 1629 federal wage agreements certified in the December quarter, covering an estimated 189 700 employees compared to 1792(r) covering an estimated 158 700(r) employees in the September quarter. The average size of wage agreements in the December quarter 2001 was 116 employees – up from 89 in the September quarter 2001. This rise is largely due to the certification of two very large agreements that covered a combined total of more than 29 000 employees.

Wage agreements with quantifiable wage increases (see Technical Notes) accounted for 74 per cent of agreements and 88 per cent of employees covered by agreements certified in the December quarter 2001.

- Non-quantified wage agreements accounted for 23 per cent of all agreements in the December quarter 2001 and covered 10 per cent of employees. In the September quarter 2001 non-quantified wage agreements accounted for 22 per cent of agreements covering 19 per cent of employees.

Current wage agreements

There were 12 709 federal wage agreements current at 31 December 2001, covering an estimated 1 439 500 employees. At 30 September 2001 there were 11 783(r) federal wage agreements current covering an estimated 1 351 700(r) 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 average annualised wage increase (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.

As noted in this quarter's Key Points, AAWIs for agreements certified in the quarter and for all current wage agreements, have remained stable for 2001.

While the quarterly AAWI series is a useful forward indicator of the wage outcomes for new federal agreements, only an estimated 2.5 per cent of employees in Australia are covered by agreements certified in the December quarter.

- However, the 'all current' AAWI estimate covers a much larger group – approximately 18.6 per cent of all employees at the end of December 2001.

MAJOR AGREEMENTS

There were 54 large agreements (each covering 500 or more employees) certified in the December quarter 2001 compared to 48 (r) large agreements in the previous quarter. These agreements accounted for just over 3.2 per cent of all agreements certified in the December quarter 2001 and covered 63.6 per cent of employees. This compares to the September quarter when large agreements accounted for around 2.6 per cent of all agreements and 58.8 per cent employees (See Tables 1 and 2).

Public sector major agreements

Employees covered by large public sector agreements accounted for 36.7 per cent of all employees under agreements certified in the December quarter. These employees were granted an AAWI of 3.7 per cent per employee for large public sector wage agreements, down from 4.1 per cent per employee in the September quarter.

- The remaining public sector employees, covered by smaller agreements (under 500 employees), were granted an AAWI of 3.9 per cent per employee in the December quarter 2001.

Contributions to public sector wage outcomes

Three major public sector agreements, each covering over 10 000 employees, contributed significantly to the AAWI for all large agreements certified in the December quarter 2001.

Two Australian Tax Office (ATO) agreements certified in the December quarter 2001 (one covering around 19 000 employees alone and the largest agreement for the quarter) granted an AAWI of 3.2 per cent per employee to a combined total of around 20 200 employees. This contributed to the lower overall AAWI for all public sector large agreements for the quarter. However, the actual duration for these ATO agreements is 8 months in length. The WAD assumes an effective duration of 12 months where the actual duration is less than a year in length to calculate the AAWI.

The Victorian Government Schools – School Services Officers agreement also provided a lower than average AAWI of 2.9 per cent per employee to around 11 000 employees.

The Victorian Police Force certified agreement provided for a higher than average AAWI of 4.7 per cent per employee and covered around 10 600 employees.

Table 1: Large federal agreements certified in December quarter 2001 – private sector

	Title	Duration	Total Wage	AAWI	Emps	Notes
	Private sector large agreements	(yrs)	(%)	(%)		
Non-metals manuf	AMCOR Fibre Packaging National Enterprise Agreement	3.3	15.0	4.6	1 409	1
	CSL Enterprise Agreement 2001	3.0	15.0	5.0	1 415	1
	Inghams Enterprises (Victoria) Processing Agreement 2001	2.0	8.0	4.0	531	
	Oakey Abattoir and AMIEU Certified Agreement 2001	2.3	4.5	1.9	609	
	South Pacific Tyres - National Union of Workers Certified Agreement 2001	1.3	0.6	0.5	1 026	
Metals manuf	Holden Ltd Enterprise Agreement (2001-2004)	3.3	16.6	5.1	6 827	
	Mitsubishi Motors Australia Ltd Enterprise Agreement 2001	2.8	14.5	5.2	2 847	
Mining & Agriculture	2001 Certified Agt Annualised Salaries for Award Employees at QLD Alumina Ltd	3.0	*	*	507	6
	GrainCorp Operations Limited (National Bulk Handling) Enterprise Agreement 2001	2.2	8.0	3.6	1 510	
Infrastructure services	Aurora Energy Redundancy Agreement 2001	2.9	*	*	771	2
	Cuevalley Pty Ltd Program Master Builders MBAV/CFMEU Enterprise Agreement 1999/2002	3.0	15.0	5.0	898	
	Patrick Stevedoring Certified Agreement 2001	3.0	11.2	3.7	1 321	
Other services	Australian Catholic University Limited Academic Staff Enterprise Agreement 2000	3.0	13.0	4.3	560	
	Australian Home Care Services Pty Ltd Enterprise Agreement 2001	3.0	9.0	3.0	1 314	
	Birch Carroll & Coyle Agreement 2001	3.0	5.4	1.8	912	
	Calvary Health Care Tasmania Nursing Staff Enterprise Bargaining Agreement 2001	2.9	12.5	4.3	520	
	Colonial Employees (TOP) Enterprise Agreement 2001	1.0	4.0	4.0	1 262	3
	Harris Scarfe Limited National Employees Enterprise Agreement 2001	1.0	0.0	0.0	1 800	5
	Hastings Deering (Australia) Ltd Certified Agreement 2001	2.0	10.0	5.0	706	
	Health Services Union of Australia/ Spastic Society of Victoria Remuneration Packaging Agreement 2001	2.0	*	*	1 400	2
	Hollywood Private Hospital Registered Nurses Agreement 2001	3.0	14.5	4.8	560	
	Hungry Jacks Employees, SDA Enterprise Agreement 2001	2.6	*	*	1 831	7
	Leave Entitlement for Australian Health Care (Latrobe) Pty Ltd Agreement 2001	3.0	*	*	1 152	2
	Mayne Health Dorevitch Pathology Certified Agreement 2001	3.2	13.0	4.0	1 270	
	McDonald's (SA & NT) Certified Agreement 2001	3.0	8.6	2.9	2 666	
	Melbourne Cricket Club Event Employees Certified Agreement 2001	2.6	6.0	2.3	800	
	Paraquad Victoria Attendant Care Services Enterprise Agreement 2001	1.9	*	*	555	7
	PowerHouse National Certified Agreement 2001	3.0	10.5	3.5	582	
	Priceline Retail Employees Enterprise Agreement 2001	3.0	9.5	3.2	1 957	
	Rainbow Connection Agreement 2001	1.0	*	*	893	3, 4
	SDA - Dominos Pizza Agreement 2001	3.0	8.4	2.8	4 290	
	St Frances Xavier Cabrini Hospital and HSUA Vic No. 1 Branch Cabrini Health and Allied Services Staff Agreement 2001	3.4	12.5	3.6	697	
St Vincents and Mercy Private Hospital and the HSUA (Vic) No 1 Branch EBA 2001	3.3	13.0	3.9	518		
Woolworths Supermarkets (WA) Agreement 2001	1.3	7.0	5.3	6 409		
	Total large non-quantifiable, unclear or conditions only private sector agreements				7 109	
	Total large quantifiable private sector agreements				45 216	
	Total large private sector agreements	2.6		3.9	52 325	
Source:	Workplace Agreements Database, DEWR					
Notes:	* Agreement cannot be quantified – The numerical note will indicate the reason the agreement cannot be quantified					
	1. Conditional Bonus					
	2. No wages details – conditions of employment only agreement					
	3. Performance pay scheme					
	4. Any increase during the life of the agreement are to be negotiated with clients					
	5. Wage rates provided for in this agreement are identical to those from the previous agreement. Duration for this agreement however is 6 months					
	6. Annualised salary introduced					
	7. Inconsistent increases across classification levels					

Table 2: Large federal agreements certified in December quarter 2001 – public sector

	Title	Duration	Total Wage	AAWI	Emps	Notes
	Public sector large agreements	(yrs)	(%)	(%)		
Infrastructure services	Freight Rail Corporation Enterprise Agreement 3 - 2001	1.0	4.0	4.0	2 076	
Other services	HIC (Business Improvement) Certified Agreement 2001 - 2003	2.3	8.7	3.8	4 270	1, 2
	HSUA Department of Human Services Intellectual Disability Services Agreement 2001	3.0	9.0	3.0	4 993	
	Northern Territory Public Sector Nurses 2001 - 2003 Certified Agreement	1.9	11.0	5.7	1 507	
	Northern Territory Public Sector Teachers and Educators Certified Agreement 2001	1.5	6.0	4.0	2 848	
	Rural Ambulance Victoria Certified Agreement 2001	3.5	12.0	3.4	1 159	
	University of Tasmania Academic Staff Agreement 2000-2003	3.0	12.0	4.0	694	3
	University of Western Sydney Academic Staff Enterprise Agreement 2001-2003	2.4	10.2	4.2	1 454	
	Victorian Government Schools – School Services Officers Agreement 2001	3.1	9.0	2.9	11 000	
Victoria Police Force Certified Agreement 2001	3.4	16.0	4.7	10 597		
Government administration & defence	ATO (Executive Level 2) Agreement 2001	1.0	3.2	3.2	1 108	3
	ATO (General Employees) Agreement 2001	1.0	3.2	3.2	19 059	3
	Brisbane City Council Enterprise Bargaining Agreement 2001	2.0	9.0	4.5	4 928	
	City of Yarra Enterprise Agreement No.3 2001	3.0	12.0	4.0	708	
	Glen Eira City Council Enterprise Agreement 2001-2003	2.5	14.0	5.6	736	
	Hobart City Council Enterprise Agreement 2001	2.0	7.0	3.5	608	
	Hobsons Bay City Council Enterprise Agreement 2001	3.4	13.0	3.9	650	
	Melbourne City Council Enterprise Agreement 2001	1.0	5.0	5.0	859	
	Members of Parliament Staff (Commonwealth) Certified Agreement 2001 - 2002	1.6	3.5	2.2	1 267	
	Yarra Ranges Shire Council Enterprise Agreement Number 3 - 2001	2.0	10.0	5.0	865	
	Total large non-quantifiable, unclear or conditions only public sector agreements				0	
	Total large quantifiable public sector agreements				71 386	
	Total large public sector agreements	2.3	3.7	3.7	71 386	
	Total large private sector agreements	2.6	3.9	3.9	52 325	
	Total large agreements	2.5	3.8	3.8	123 711	
Source:	Workplace Agreements Database, DEWR					
Notes:	<p>* Agreement cannot be quantified – The numerical note will indicate the reason the agreement cannot be quantified</p> <p>1. Conditional Bonus</p> <p>2 Absorption of annual leave loading (4/52 multiplied by 17.5% = 1.3%) has been offset against the initial 4.5% increase</p> <p>3. Performance Pay Scheme</p>					

Major private sector agreements

Employees covered by large private sector agreements accounted for 26.9 per cent of all employees under agreements certified in the December quarter, down from 34 per cent of all employees in the September quarter 2001. Due to this fall, the effect private sector large agreements had on the quarter was less than in previous quarters. These employees were granted an AAWI of 3.9 per cent per employee.

Contributions to private sector wage outcomes

The Holden Ltd Enterprise agreement (2001-2004) was the largest private sector agreement for the December quarter and covered just over 6800 employees. This agreement granted an AAWI per employee of 5.1 per cent.

The Woolworths Supermarkets (WA) agreement 2001 provided for an AAWI of 5.3 per cent per employee to around 6400 employees.

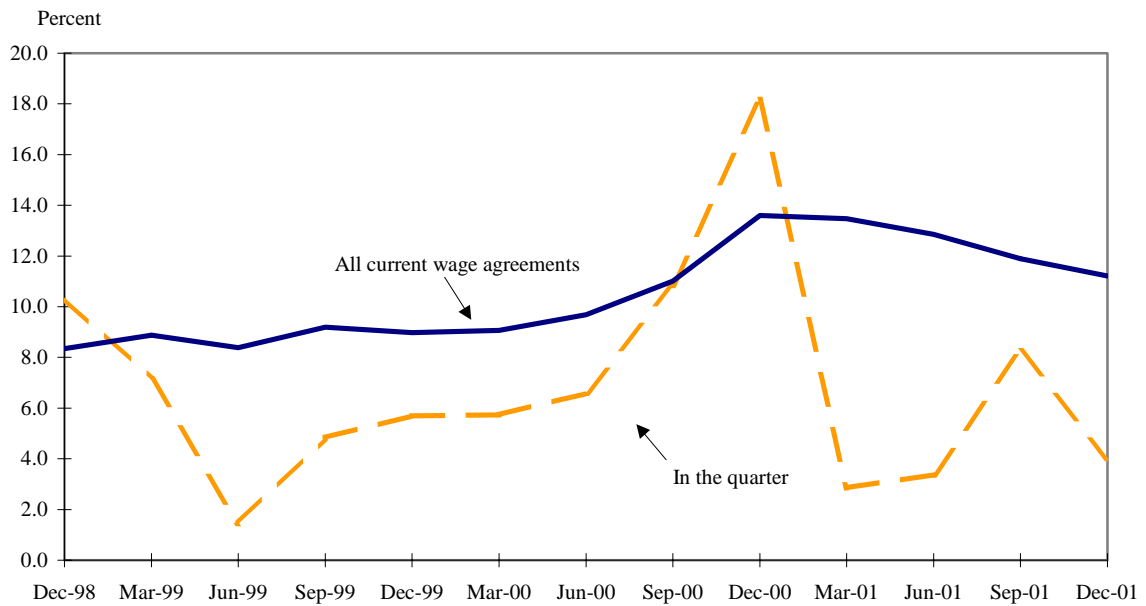
INFLATION RELATED CLAUSES IN AGREEMENTS

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.

The historical application of these CPI related wage clauses in certified agreements, is indicated in Chart 3.

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

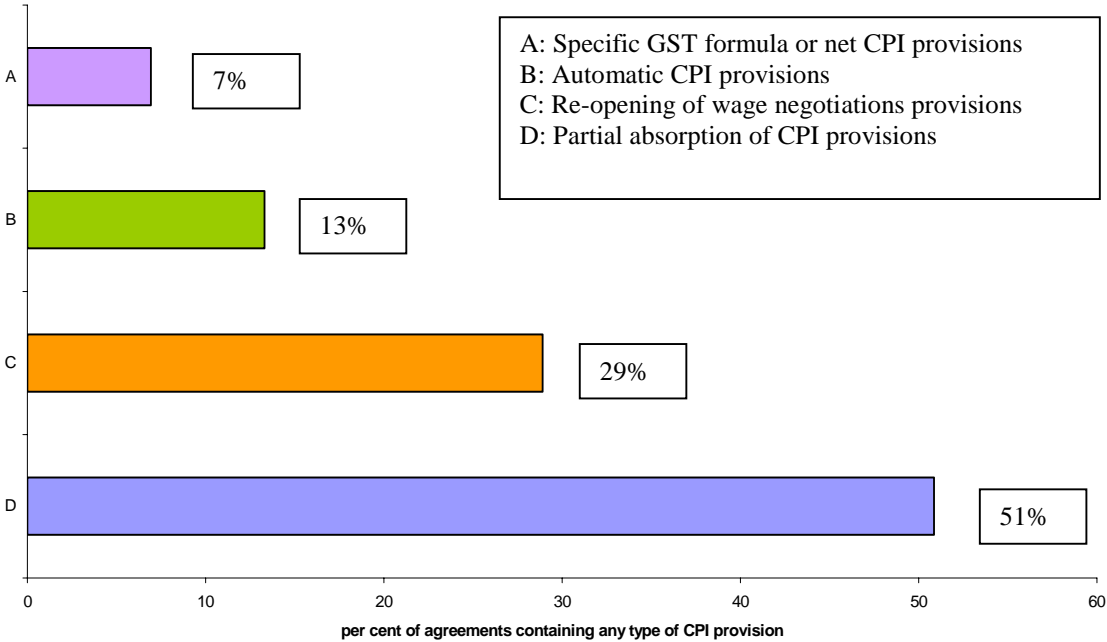
The proportion of employees covered by current federal wage agreements, whose agreements include any type of CPI related wage clause, was 11.2 per cent at the end of the December quarter 2001, down 0.7 percentage points from 11.9 per cent at the end of September 2001.

- However, only 1.3 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 proportion is the same as that recorded in 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 December quarter 2001, 4.0 per cent were covered by an agreement that contained a CPI related wage clause, down from 8.3 per cent in the September quarter.

Chart 4: Proportion of federal certified wage agreements containing CPI provisions by type of provision, certified during the December quarter 2001



Types of CPI provisions in the quarter

The most common types of CPI provisions in the December 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 51 per cent of all agreements with CPI related provisions certified this quarter.

Around 29 per cent of agreements containing CPI related clauses certified in the quarter only contained re-opening clauses, with a further 13 per cent containing automatic clauses. The remaining 7 per cent were agreements containing provisions that included a specific formula related to CPI.

Number of agreements

In the December quarter, 173 agreements containing CPI related clauses were certified compared to 209 in the September quarter. As a proportion of agreements certified in the quarter, those with CPI related wage clauses accounted for 10.6 per cent of agreements in the December quarter compared to 11.7 per cent in the September quarter.

AAWI PER AGREEMENT

Agreements certified during the quarter

Federal wage agreements certified in the December quarter 2001 allowed for an AAWI *per agreement* of 4.1 per cent, down 0.2 percentage points from the September quarter 2001 figure.

- Private sector wage agreements allowed for an AAWI of 4.1 per cent per agreement in the December quarter 2001, while public sector wage agreements allowed for an AAWI of 3.7 per cent per agreement.

Current agreements

Current federal wage agreements (agreements that had not expired or been terminated at 31 December 2001) provided for an AAWI of 4.3 per cent per agreement – unchanged from 30 September 2001.

- Private sector wage agreements current at 31 December 2001 provided an AAWI of 4.4 per cent per agreement while public sector agreements provided an AAWI of 3.4 per cent 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.

WAGE TRENDS BY SECTOR

Private sector

Private sector agreements certified during the quarter

In the private sector, 1519 federal wage agreements, covering an estimated 110 600 employees, were certified during the December quarter 2001.

- These agreements granted an AAWI of 3.9 per cent per employee, up slightly from the September quarter 2001.

Private sector expiring agreements

The second half 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 3200 agreements in the December quarter 2002.

In terms of employees covered by expiring private sector agreements, the March quarter 2002 is the most significant quarter with 597 agreements covering around 96 700 employees due to expire (See Table 3).

Private sector current agreements

The AAWI for private sector agreements current at 31 December 2001 was 3.8 per cent per employee, up marginally from the September quarter 2001 of 3.7 per cent per employee.

Public sector

Public sector agreements certified during the quarter

In the December quarter 2001, 110 federal wage agreements were certified in the public sector, covering an estimated 79 100 employees.

- These agreements allowed for an AAWI of 3.7 per cent per employee, down from the previous quarter's result of 4.0 per cent per employee.

Public sector expiring agreements

The quarter with the highest number of expiring public sector agreements is the June quarter 2002 with over 230 covering an estimated 125 700 employees. A very large public health agreement and one of the largest federal public service department agreements are both due to expire in May 2002. These two agreements cover approximately 50 000 employees.

In terms of employees covered by expiring agreements, the June quarter 2003 is also significant with over 170 agreements covering around 101 100 employees also due to expire. The AAWI per employee granted by these agreements is 3.9 per cent.

Public sector current agreements

For federal wage agreements in the public sector that were current at 31 December 2001, the AAWI per employee was 3.7 per cent, unchanged from the September quarter.

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 December quarter 2001 was 3.9 per cent per employee.
- Around 30 section 170LK fast food franchise agreements were certified this quarter. In the December quarter 2001 a very large public sector agreement was made under section 170LK, which covered over 10 000 and allowed for an AAWI of 4.7 per cent.

Agreements made with employee organisations

The AAWI per employee for agreements made with employee organisations under the WR Act, (including agreements made under section 170LL, 170LN and 170LJ) in the December quarter 2001, was 3.8 per cent per employee – unchanged from 3.8 per cent per employee (r) in the September quarter 2001.

Current agreements

A less volatile indicator of wage outcomes under section 170LK agreements is provided by the AAWI for all 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.¹

Agreements made under section 170LK

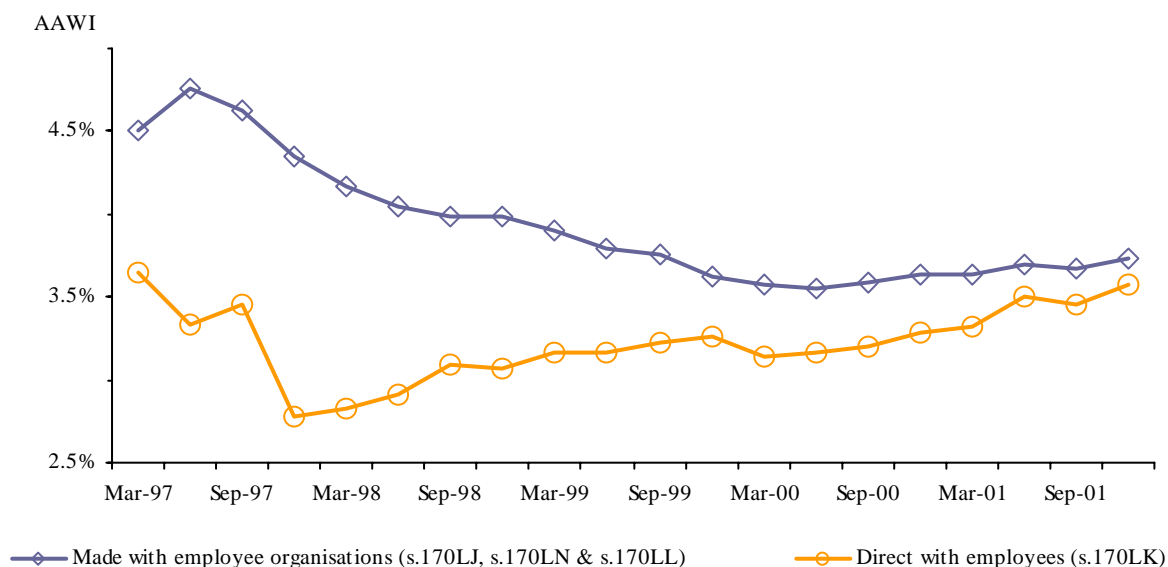
The AAWI per employee for agreements made under section 170LK and current at 31 December 2001 was 3.6 per cent per employee – up marginally from the September quarter's revised figure of 3.5 per cent per employee.

Agreements made with employee organisations

The AAWI per employee for agreements current at 31 December 2001 and made with employee organisations was 3.7 per cent per employee – unchanged from the September quarter 2001.

¹ 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*.

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 31 December 2001



Source: DEWR Workplace Agreements Database (WAD)

WAGE TRENDS IN KEY INDUSTRIES

Table 4 shows quarterly movements in average annualised wage outcomes for seventeen industry ANZSIC divisions. The manufacturing category has been disaggregated into metals and non-metals industries.

Table 5 shows the expiry pattern for each quarter to 31 December 2004 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 88 wage agreements were certified in the health and community services industry. These agreements covered an estimated 18 300 employees and provided an AAWI of 3.7 per cent per employee.

- This result is down 0.5 percentage points from the September quarter 2001 of 4.2 per cent and 0.7 percentage points from the June quarter result of 4.4 per cent per employee. The AAWI for health and community service agreements certified during the December quarter 2001 is lower owing to three large agreements in this industry. The first two granted an AAWI of 3.0 per cent per employee to total of nearly 6300 employees combined. The third provided for an AAWI of 3.4 per cent per employee to around 1200 employees.
- This industry group includes agreements from both the public and private sector. In the December quarter 89 per cent of agreements and 45 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 3.9 per cent and 3.6 per cent per employee respectively.

- The AAWI for current health and community service agreements has continued to increase over the last 3 quarters from 3.1 per cent per employee at 31 March 2001 to 3.6 per cent per employee at 31 December 2001.

Manufacturing

There were 448 manufacturing wage agreements certified during the December quarter 2001. These agreements provided an AAWI of 4.2 per cent per employee to around 43 100 employees.

Metals manufacturing

In the December quarter 2001 there were 194 wage agreements certified in this industry.

- The AAWI for metals manufacturing wage agreements certified in the December quarter 2001 was 4.7 per cent, up from 4.3 per cent in the September quarter 2001.
- The number of employees covered by metals manufacturing agreements rose considerably in the December quarter 2001 from just over 9900 in the September quarter 2001 to around 20 800 in the December quarter. This is mainly attributable to the certification of two large car manufacturing agreements which together cover around 9700 employees and which grant AAWIs of 5.1 per cent per employee and 5.2 per cent per employee.

A total of 108 wage agreements covering an estimated 6700 employees expired during the December quarter 2001. These agreements granted an AAWI of 3.6 per cent per employee.

- A further 378 agreements are due to expire in the March quarter 2003. These agreements cover around 17 900 employees and provide an AAWI of 4.9 per cent per employee.

Non-metals manufacturing

The AAWI for non-metals manufacturing was down from the September quarter figure of 4.1 per cent per employee to 3.7 per cent in the December quarter 2001.

- The number of agreements for the December quarter was 254, up 22 agreements from the previous quarter.

A total of 186 agreements granting an AAWI of 3.2 per cent per employee and covering an estimated 12 000 employees ceased to contribute to the all current AAWI in the December quarter 2001.

- Non-metals manufacturing agreements due to expire in the March quarter 2003 total 235. These agreements cover around 11 400 employees and grant an AAWI of 4.4 per cent per employee.

Retail trade

Around 22 000 employees covered by retail trade agreements certified in the December quarter 2001 were granted an AAWI of 3.5 per cent per employee, up slightly from the September quarter's figure of 3.4 per cent per employee. The Woolworths Supermarkets (WA) Agreement 2001 contributed to the rise in the December quarter AAWI by providing approximately 6400 employees an AAWI of 5.3 per cent per employee.

- The total number of retail agreements certified in the December quarter 2001 was 64, down from the September quarter's total of 105, but up significantly from the first half of 2001 during which time 32 agreements were certified. A large number of agreements from a fast-food retail franchise were certified in the December quarter.

A total of 25 retail industry agreements are due to expire in the March quarter 2002, including one of the largest retail agreements which expires on 31 January 2002. This agreement covers an estimated 43 900 employees and granted an AAWI of 3.3 per cent per employee and its expiry will effect a range of indicators including average duration and employees covered by agreements with inflation related provisions.

Construction

A total of 612 wage agreements were certified during the December quarter in the construction industry. These agreements covered around 6900 employees.

- These agreements provided an AAWI of 4.3 per cent per employee, down from 4.8 per cent per employee in the September quarter.

A total of 4968 construction industry agreements are due to expire between the September quarter 2002 and the March quarter 2003. These agreements cover a total of around 57 700 employees and provide an aggregate AAWI of 4.9 per cent per employee.

Government administration

While the number of wage agreements formalised in this industry rose only marginally from 64 in the September quarter 2001 to 66 in the December quarter the number of employees covered by such agreements tripled.

- The AAWI per employee fell 0.5 percentage points from the September quarter 2001 to 3.6 per cent per employee. The number of employees covered by government administration agreements increased from an estimated 9500 in the September quarter 2001 to around 35 700 for the December quarter.
- Two large government department agreements, one covering over 19 000 employees, as well as several other large city council agreements contributed approximately 30 000 employees to the December quarter's employee total.

A total of 73 agreements covering an estimated 31 700 employees expired in the December quarter 2001. These agreements provide an AAWI of 3.8 per cent per employee. A further 89 agreements covering around 59 700 employees and with an AAWI of 3.3 per cent per employees are due to expire in the June quarter 2002.

TABLE 3: FEDERAL WAGE AGREEMENTS, DECEMBER QUARTER 1998 - DECEMBER QUARTER 2001 & EXPIRING FEDERAL WAGE AGREEMENTS, DECEMBER QUARTER 2001 - DECEMBER QUARTER 2004

FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER	Dec-98	Mar-99	Jun-99	Sep-99	Dec-99	Mar-00	Jun-00	Sep-00	Dec-00	Mar-01	Jun-01	Sep-01	Dec-01
PUBLIC SECTOR	295	165	146	270	180	176	131	214	194	146	94	95	110
AAWI (%)	4.4	3.5	3.4	3.3	3.1	3.2	3.3	4.5	3.8	3.8	4.1	4.0	3.7
Employees ('000)	137.4	31.2	111.9	30.0	44.8	44.4	42.9	81.7	137.6	108.4	63.8	40.0	79.1
PRIVATE SECTOR	1 871	1 430	1 210	1 236	1 287	1 096	1 002	1 776	2 149	1 532	1 314	1 697	1 519
AAWI (%)	3.8	3.8	3.7	3.4	3.5	3.6	3.8	3.9	4.1	3.6	3.9	3.8	3.9
Employees ('000)	119.6	92.7	87.1	89.2	109.7	59.4	62.2	94.9	143.9	91.4	130.0	118.6	110.6
ALL INDUSTRIES	2 166	1 595	1 356	1 506	1 467	1 272	1 133	1 990	2 343	1 678	1 408	1 792	1 629
AAWI (%)	4.1	3.7	3.5	3.4	3.4	3.4	3.6	4.2	3.9	3.7	3.9	3.8	3.8
Employees ('000)	257.1	123.8	199.1	119.2	154.5	103.8	105.1	176.6	281.6	199.8	193.7	158.7	189.7

FOR ALL CURRENT AGREEMENTS	Dec-98	Mar-99	Jun-99	Sep-99	Dec-99	Mar-00	Jun-00	Sep-00	Dec-00	Mar-01	Jun-01	Sep-01	Dec-01
PUBLIC SECTOR	1 201	1 277	1 355	1 160	1 254	1 315	1 359	1 292	1 237	1 261	1 216	1 141	1 121
AAWI (%)	3.9	3.7	3.5	3.5	3.4	3.4	3.4	3.6	3.6	3.7	3.7	3.7	3.7
Employees ('000)	481.0	471.4	547.2	444.5	441.1	466.9	453.8	475.5	496.6	567.7	597.6	532.8	586.3
PRIVATE SECTOR	8 563	9 465	10 143	10 350	7 951	7 028	7 364	7 133	8 601	9 484	10 185	10 642	11 588
AAWI (%)	4.0	4.0	3.9	3.9	3.7	3.7	3.6	3.6	3.6	3.6	3.7	3.7	3.8
Employees ('000)	856.3	880.3	910.6	910.2	941.0	922.7	886.1	807.7	851.9	827.5	878.3	818.9	853.2
ALL INDUSTRIES	9 764	10 742	11 498	11 510	9 205	8 343	8 723	8 425	9 838	10 745	11 401	11 783	12 709
AAWI (%)	4.0	3.9	3.8	3.7	3.6	3.6	3.5	3.6	3.6	3.6	3.7	3.7	3.7
Employees ('000)	1 337.3	1 351.7	1 457.9	1 354.8	1 382.1	1 389.6	1 339.9	1 283.2	1 348.5	1 395.3	1 476.0	1 351.7	1 439.5

FOR ALL EXPIRING AGREEMENTS	Dec-01	Mar-02	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
PUBLIC SECTOR	166	134	236	114	114	96	171	67	49	21	37	8	25
AAWI (%)	3.6	2.9	3.3	3.3	3.7	4.1	3.9	4.5	3.9	3.4	3.7	3.5	4.6
Employees ('000)	55.1	17.4	125.7	35.0	60.6	47.1	101.1	52.7	6.6	63.3	18.9	1.4	12.9
PRIVATE SECTOR	700	597	759	1 510	3 200	2 205	976	509	427	229	414	254	274
AAWI (%)	3.2	3.4	3.8	4.2	3.7	4.0	3.8	3.7	3.7	3.8	3.7	3.3	3.6
Employees ('000)	73.3	96.7	92.8	88.3	86.4	93.1	82.7	77.6	43.5	32.5	62.3	45.1	33.4
ALL INDUSTRIES	866	731	995	1 624	3 314	2 301	1 147	576	476	250	451	262	299
AAWI (%)	3.4	3.3	3.5	3.9	3.7	4.1	3.9	4.1	3.7	3.5	3.7	3.3	3.9
Employees ('000)	128.4	114.1	218.5	123.3	147.0	140.2	183.8	130.3	50.1	95.8	81.2	46.5	46.3

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.

Source: Workplace Agreements Database, DEWR, 27 Feb 2002. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

TABLE 4: FEDERAL WAGE AGREEMENTS, BY ANZSIC DIVISION, DECEMBER QUARTER 1998 - DECEMBER QUARTER 2001 - (Part One)

FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER	Dec-98	Mar-99	Jun-99	Sep-99	Dec-99	Mar-00	Jun-00	Sep-00	Dec-00	Mar-01	Jun-01	Sep-01	Dec-01
ANZSIC DIVISION													
Agriculture, forestry and fishing	11	5	5	4	6	5	3	11	16	7	6	8	22
AAWI (%)	2.4	3.8	4.0	3.1	3.4	3.6	3.5	3.4	4.1	3.3	2.0	4.4	3.3
Employees	429	357	123	1800	414	219	175	2575	742	369	101	638	2340
Mining	38	26	43	43	23	36	26	22	42	21	27	33	36
AAWI (%)	3.0	3.7	3.7	3.1	4.3	2.8	2.8	4.2	3.2	2.4	3.6	3.3	2.7
Employees	3160	1325	1927	3362	1212	1841	961	1528	2010	1139	1918	4298	2815
Manufacturing	359	397	364	402	403	312	280	399	501	406	307	387	448
AAWI (%)	4.2	4.0	3.9	3.7	3.7	3.6	3.5	3.9	4.4	4.1	3.9	4.2	4.2
Employees	28088	31607	23540	30767	38640	22316	19774	25730	44768	28127	18281	28231	43100
<i>Non-metals manufacturing</i>	155	152	170	224	221	171	150	216	258	203	174	232	254
AAWI (%)	3.8	3.7	4.0	3.4	3.5	3.5	3.4	3.7	3.9	3.9	3.8	4.1	3.7
Employees	9351	14809	12206	14508	20562	14470	11544	13393	20235	18006	12721	18327	22342
<i>Metals manufacturing</i>	204	245	194	178	182	141	130	183	243	203	133	155	194
AAWI (%)	4.4	4.2	3.8	3.9	4.0	3.9	3.7	4.1	4.8	4.4	4.1	4.3	4.7
Employees	18737	16798	11334	16259	18078	7846	8230	12337	24533	10121	5560	9904	20758
Electricity, gas and water supply	34	44	46	19	38	14	9	14	20	11	17	14	16
AAWI (%)	3.7	6.0	3.4	3.5	3.7	3.6	4.2	4.2	3.8	3.9	4.2	4.7	4.6
Employees	947	1820	634	6596	1551	4862	474	2135	1149	2549	1360	1278	2228
Construction	1063	677	504	482	529	498	445	981	1253	833	606	761	612
AAWI (%)	6.3	6.2	6.1	5.4	5.2	4.8	4.4	4.8	4.9	4.8	4.8	4.8	4.3
Employees	13008	7666	5655	4918	7695	8640	8694	13349	16659	10162	6008	7247	6876
Wholesale trade	18	8	6	19	26	10	10	12	13	7	5	12	9
AAWI (%)	3.8	3.2	2.9	3.9	2.9	2.5	4.1	4.5	3.9	5.6	4.3	3.8	3.2
Employees	1085	683	274	789	1639	617	635	624	2367	167	72	1260	497
Retail trade	19	13	15	22	30	16	35	36	30	32	32	105	64
AAWI (%)	3.3	3.3	4.0	2.7	3.1	2.3	3.6	3.2	3.6	2.4	3.2	3.4	3.5
Employees	34167	25126	3491	18455	34851	2203	16366	11832	34824	28584	31909	28089	22217
ALL INDUSTRIES	2166	1595	1356	1506	1467	1272	1133	1990	2343	1678	1408	1792	1629
AAWI (%)	4.1	3.7	3.5	3.4	3.4	3.4	3.6	4.2	3.9	3.7	3.9	3.8	3.8
Employees	257050	123820	199063	119197	154508	103794	105102	176624	281581	199767	193733	158655	189675

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, DEWRSB, 24 May 2001. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

TABLE 4: FEDERAL WAGE AGREEMENTS, BY ANZSIC DIVISION, DECEMBER QUARTER 1998 - DECEMBER QUARTER 2001 - (Final Part)

FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER	Dec-98	Mar-99	Jun-99	Sep-99	Dec-99	Mar-00	Jun-00	Sep-00	Dec-00	Mar-01	Jun-01	Sep-01	Dec-01
ANZSIC DIVISION													
Accommodation, cafes and restaurants	24	6	12	16	15	15	15	15	13	12	15	27	12
AAWI (%)	2.4	4.5	1.8	2.6	2.4	4.7	3.7	3.8	2.7	4.1	1.1	2.6	2.3
Employees	2510	660	2758	746	4278	671	2229	1622	1311	1079	1321	12340	846
Transport and storage	164	113	104	111	114	93	82	180	160	126	102	134	123
AAWI (%)	3.2	3.0	3.0	2.9	4.1	3.0	4.1	3.8	3.3	3.4	3.3	3.9	3.8
Employees	22373	9140	31770	7192	5741	11353	4066	12283	24149	6550	7032	9778	9964
Communication services	4	3	4	2	5	0	4	5	9	3	4	6	4
AAWI (%)	4.0	2.4	3.9	5.0	4.4	*	4.1	3.5	3.8	*	4.1	3.7	4.0
Employees	73007	1517	35822	962	187	0	164	1511	43694	156	1787	998	365
Finance and insurance	14	5	11	12	11	8	11	12	12	11	14	13	9
AAWI (%)	4.3	4.0	3.3	2.9	3.6	3.2	4.1	4.8	5.1	4.8	4.5	4.1	3.7
Employees	4026	969	8835	4231	8631	3731	3305	12523	9334	4062	26877	6064	5186
Property and business services	44	20	22	24	26	27	32	32	38	21	35	25	45
AAWI (%)	4.4	2.0	4.8	5.4	3.6	4.1	3.8	3.1	3.3	3.3	3.8	3.2	4.1
Employees	1846	1998	5277	1506	2064	2241	3769	2262	3834	2736	13716	3509	6040
Government administration and defence	85	85	51	82	82	65	50	91	84	55	58	64	66
AAWI (%)	5.7	3.9	3.1	2.9	2.8	3.2	3.6	5.0	3.8	4.0	4.5	4.1	3.6
Employees	39128	17185	36550	9883	17208	20361	11697	50568	35899	9582	17556	9455	35650
Education	36	37	16	27	21	18	23	33	56	51	34	26	28
AAWI (%)	3.7	6.9	4.0	4.1	3.2	3.3	3.8	3.6	4.5	3.9	3.9	3.9	3.3
Employees	2505	3789	13935	8100	10324	9340	13342	18288	29066	91475	43133	8282	17904
Health and community services	193	111	123	207	110	123	82	106	53	52	107	127	88
AAWI (%)	3.5	3.2	3.5	3.0	3.0	2.9	2.8	3.3	3.0	3.6	4.4	4.2	3.7
Employees	26210	14286	24627	10199	13800	7157	12857	10552	27702	8205	14597	30643	18341
Cultural and recreational services	45	37	21	14	14	21	11	21	27	18	28	33	21
AAWI (%)	3.1	2.6	2.6	3.9	3.7	3.2	2.7	3.7	3.8	4.8	3.6	3.7	2.6
Employees	3795	4833	1552	7936	2672	7161	5415	7195	3231	3916	7626	5499	3527
Personal and other services	15	8	9	20	14	11	15	20	16	12	11	17	26
AAWI (%)	3.3	4.0	2.8	3.7	3.9	2.8	3.1	3.5	3.0	3.4	2.6	4.1	4.7
Employees	766	859	2293	1755	3601	1081	1179	2047	842	909	439	1046	11779
ALL INDUSTRIES	2166	1595	1356	1506	1467	1272	1133	1990	2343	1678	1408	1792	1629
AAWI (%)	4.1	3.7	3.5	3.4	3.4	3.4	3.6	4.2	3.9	3.7	3.9	3.8	3.8
Employees	257050	123820	199063	119197	154508	103794	105102	176624	281581	199767	193733	158655	189675

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, 27 February 2002. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

TABLE 5: EXPIRING FEDERAL WAGE AGREEMENTS, BY ANZSIC DIVISION, DECEMBER QUARTER 2001 - DECEMBER QUARTER 2004 - (Part One)

FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER	Dec-01	Mar-02	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
ANZSIC DIVISION													
Agriculture, forestry and fishing	14	5	6	7	6	5	2	6	7	3	4	2	12
AAWI (%)	3.1	3.6	3.0	2.5	4.4	4.0	3.3	3.6	3.6	5.0	4.3	*	1.0
Employees	2183	193	242	311	94	218	2179	326	1669	69	408	191	359
Mining	12	21	12	33	43	17	23	22	18	8	9	17	12
AAWI (%)	2.2	2.7	4.0	3.0	3.4	2.8	2.9	3.4	1.4	2.0	2.8	3.6	2.5
Employees	855	1088	972	1614	2008	935	1808	1311	796	523	536	3928	938
Manufacturing	294	219	308	198	216	613	350	209	127	57	118	65	34
AAWI (%)	3.4	3.8	3.7	3.5	3.4	4.7	3.9	4.1	3.8	4.2	4.6	3.7	4.8
Employees	18726	18501	17660	14807	14243	29344	29011	21548	10174	5252	15762	4392	9440
<i>Non-metals manufacturing</i>	186	127	181	126	134	235	209	138	72	35	71	48	19
AAWI (%)	3.2	3.5	3.7	3.5	3.3	4.4	3.7	3.7	3.7	4.1	4.3	3.7	3.7
Employees	12015	8542	10869	10701	9453	11448	19574	11931	7565	3731	6897	3222	2333
<i>Metals manufacturing</i>	108	92	127	72	82	378	141	71	55	22	47	17	15
AAWI (%)	3.6	4.1	3.8	3.6	3.7	4.9	4.2	4.6	4.1	4.3	4.7	3.8	5.1
Employees	6711	9959	6791	4106	4790	17896	9437	9617	2609	1521	8865	1170	7107
Electricity, gas and water supply	20	11	10	20	10	9	9	10	11	2	4	3	8
AAWI (%)	4.0	4.2	4.5	3.3	4.2	3.6	4.1	3.7	4.0	*	4.0	4.8	4.6
Employees	5646	1725	492	5235	342	484	1137	1174	1496	11	319	620	1391
Construction	89	147	116	1014	2660	1294	212	91	118	49	42	56	111
AAWI (%)	3.8	4.1	3.5	4.8	4.9	5.0	4.1	4.0	3.9	3.9	4.0	3.9	3.6
Employees	2187	2224	2891	15271	27287	15150	4287	2186	2011	813	554	1002	1526
Wholesale trade	10	4	13	10	6	14	7	5	2	3	2	2	2
AAWI (%)	4.2	3.9	2.3	4.0	4.6	4.0	3.5	2.8	3.8	3.4	4.4	2.0	2.5
Employees	533	120	930	816	662	909	301	216	1062	714	69	124	88
Retail trade	22	25	20	20	20	24	24	31	15	12	104	17	27
AAWI (%)	2.4	3.3	2.6	4.1	2.4	3.1	3.7	3.4	3.7	3.1	3.3	3.0	1.6
Employees	10566	57660	6996	25584	22338	21555	13495	36095	7683	3039	28267	11756	655
ALL INDUSTRIES	866	731	995	1624	3314	2301	1147	576	476	250	451	262	299
AAWI (%)	3.4	3.3	3.5	3.9	3.7	4.1	3.9	4.1	3.7	3.5	3.7	3.3	3.9
Employees	128391	114066	218529	123289	147009	140156	183811	130271	50140	95815	81199	46537	46252

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, 27 February 2002. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

TABLE 5: EXPIRING FEDERAL WAGE AGREEMENTS, BY ANZSIC DIVISION, DECEMBER QUARTER 2001 - DECEMBER QUARTER 2004 - (Final Part)

FOR AGREEMENTS CERTIFIED IN THE NOMINATED QUARTER	Dec-01	Mar-02	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
ANZSIC DIVISION													
Accommodation, cafes and restaurants	13	9	9	20	12	17	19	10	7	8	3	10	7
AAWI (%)	3.6	1.2	3.0	3.9	3.4	4.7	3.4	2.9	2.8	1.8	2.2	2.6	3.0
Employees	2242	886	372	1254	716	1073	2238	563	597	894	187	10251	482
Transport and storage	95	53	142	92	136	115	152	65	51	33	41	38	21
AAWI (%)	3.0	2.7	3.2	3.3	3.5	3.1	3.8	3.6	3.2	3.6	3.6	3.8	3.8
Employees	34179	5661	19850	3931	6738	6909	13498	3989	2549	3374	1345	2460	1828
Communication services	4	3	2	4	7	4	6	2	2	3	1	2	0
AAWI (%)	5.8	3.6	3.0	3.0	4.0	2.6	4.0	4.0	*	3.7	*	4.0	*
Employees	142	202	5995	1179	31181	227	1743	79	6647	961	54	31	0
Finance and insurance	9	6	16	9	12	10	8	7	10	3	4	1	3
AAWI (%)	5.8	2.6	4.3	4.8	4.2	3.5	3.4	3.6	3.2	3.5	3.6	6.5	4.2
Employees	1133	2810	29266	12073	4266	7250	2724	8202	2967	932	584	857	169
Property and business services	27	30	29	24	24	31	33	12	18	7	18	8	12
AAWI (%)	3.9	3.3	4.0	3.5	3.2	3.4	3.7	1.6	3.2	4.2	2.7	3.3	4.0
Employees	2541	3355	12545	2149	2861	2548	9387	820	1269	423	1535	2162	542
Government administration and defence	73	61	89	77	59	36	80	36	26	9	24	5	11
AAWI (%)	3.8	3.4	3.3	3.4	3.2	3.3	4.5	4.1	3.9	3.9	3.4	3.4	3.9
Employees	31652	5445	59664	24713	9078	5200	23921	9468	3661	5873	3495	522	1295
Education	36	30	16	13	36	62	45	23	12	9	6	3	10
AAWI (%)	1.9	2.4	2.8	3.7	3.8	4.3	3.8	4.7	4.5	3.2	2.8	3.7	2.9
Employees	1958	2334	4442	5410	12474	40300	68537	36928	1398	55130	443	593	11680
Health and community services	124	77	123	42	31	28	153	31	31	39	56	15	15
AAWI (%)	3.1	2.8	3.3	2.9	2.6	3.8	3.7	4.7	4.1	4.1	3.8	3.7	3.5
Employees	10653	8356	39876	3043	3636	1932	7014	5995	3074	17595	24692	3712	3639
Cultural and recreational services	13	23	59	17	19	9	16	10	11	0	9	6	7
AAWI (%)	5.1	3.1	3.7	3.7	2.7	3.1	3.5	2.2	4.0	*	2.7	3.0	1.7
Employees	2393	1758	13581	4307	5779	5124	2224	539	2707	0	2615	3241	1399
Personal and other services	11	7	25	24	17	13	8	6	10	5	6	12	7
AAWI (%)	3.0	3.0	2.9	3.2	3.8	4.0	3.2	3.5	2.7	3.0	2.8	3.6	4.7
Employees	802	1748	2755	1592	3306	998	307	832	380	212	334	695	10821
ALL INDUSTRIES	866	731	995	1624	3314	2301	1147	576	476	250	451	262	299
AAWI (%)	3.4	3.3	3.5	3.9	3.7	4.1	3.9	4.1	3.7	3.5	3.7	3.3	3.9
Employees	128391	114066	218529	123289	147009	140156	183811	130271	50140	95815	81199	46537	46252

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, 27 February 2002. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

AGREEMENT MAKING IN THE FINANCE AND INSURANCE INDUSTRY

This article examines how wages are determined in the finance and insurance industry and the progress of federal collective agreement making, including the average size of agreements, whether agreements are with unions or directly with employees and the wage outcomes provided by agreements. Also included is an examination of the incidence of certain employment conditions, flexible working hours and family friendly provisions in current agreements in this industry, and draws comparisons with agreements in all industries.

METHODS OF SETTING PAY

There has been a significant decline over the last decade in the proportion of employees whose pay was set by either a State or federal award, from 67.6 per cent of employees in May 1990 to 23.2 per cent of employees in May 2000.²

Table 6 shows that, at May 2000, the proportion of finance and insurance employees covered by State or federal awards was much lower, at 5.6 per cent, than the all industry average of 23.2 per cent. The finance and insurance industry had the third lowest proportion of award-reliant employees for the seventeen different industries.

Table 6: Method of setting pay in the finance and insurance industry compared with the all industry average at May 2000.

Industry	Awards only	Collective Agreements			Individual Agreements		
		Federal	State	Unregistered	Federal	State	Unregistered
Finance and Insurance	5.6	45.6	2.2	2.1	5.2	0.1	39.1
<i>All Industry Average</i>	<i>23.2</i>	<i>21.7</i>	<i>13.5</i>	<i>1.6</i>	<i>1.0</i>	<i>0.8</i>	<i>38.2</i>

SOURCE: ABS Survey of Employee Earnings and Hours, Catalogue 6306.0, May 2000.
Unpublished ABS Survey of Employee Earnings and Hours data, May 2000.

The other feature of the finance and insurance industry is the high proportion of employees whose pay is set by a registered *federal* collective agreement. After communication services (69.0 per cent) and government administration and defence (49.0 per cent), the finance and insurance industry had the third highest proportion of employees whose pay is set by federal enterprise agreements in May 2000.

The finance and insurance industry had the fifth highest proportion (49.9 per cent) of employees paid by collective agreements, including registered and unregistered bargaining, in the States or federal jurisdiction.

It is worth noting that a decline in the number of employees covered by current federal wage agreements occurred after the EEH Survey was conducted in May 2000. This decline was due to three major banking agreements expiring and not yet having certified replacement agreements.

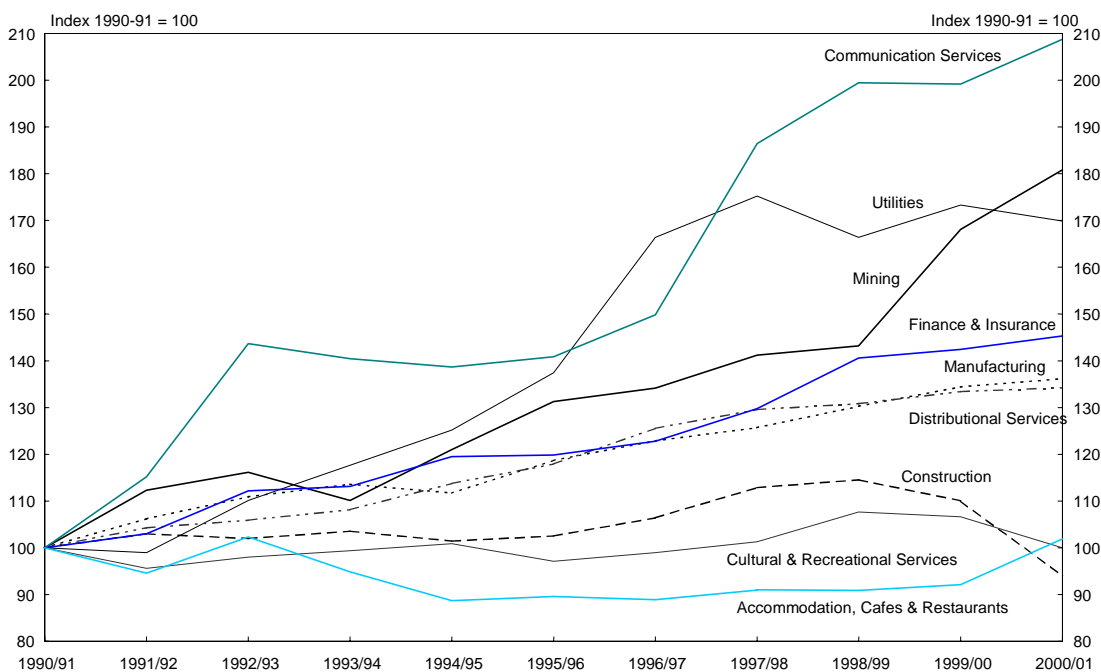
² In March 2001, the Australian Bureau of Statistics published final data from its survey of Employee Earnings and Hours (ABS, EEH Survey, Catalogue 6203.0). The survey provided valuable new information about how employee's pay was set in the nearest pay period occurring on or before 19 May 2000.

PRODUCTIVITY

The *Workplace Relations Act 1996* (WR Act) encourages all types of workplace level agreement making as it enables agreements to be tailored to the needs of each workplace and wage outcomes to be linked to increases in efficiency and/or productivity, benefiting both employers and employees.

Chart 6 indicates that the finance and insurance industry has experienced steady gains in productivity over the last decade. When compared to other industries, federal certified agreements in finance and insurance have the highest proportion of productivity related wage provisions. In addition, the four industries with the lowest levels of award reliance (ie communication services, utilities, mining and finance and insurance) had the largest increases in gross product per hour worked.

Chart 6: Gross product per hour worked by industry, 1990-91 to 2000-01



SOURCE: ABS, National Accounts, Catalog 5204.0-1.19.

NOTE: Distributional Services consists of wholesale trade, retail trade and transport and storage. The Utilities category includes electricity, gas and water supply.

SPREAD AND COVERAGE OF AGREEMENT MAKING

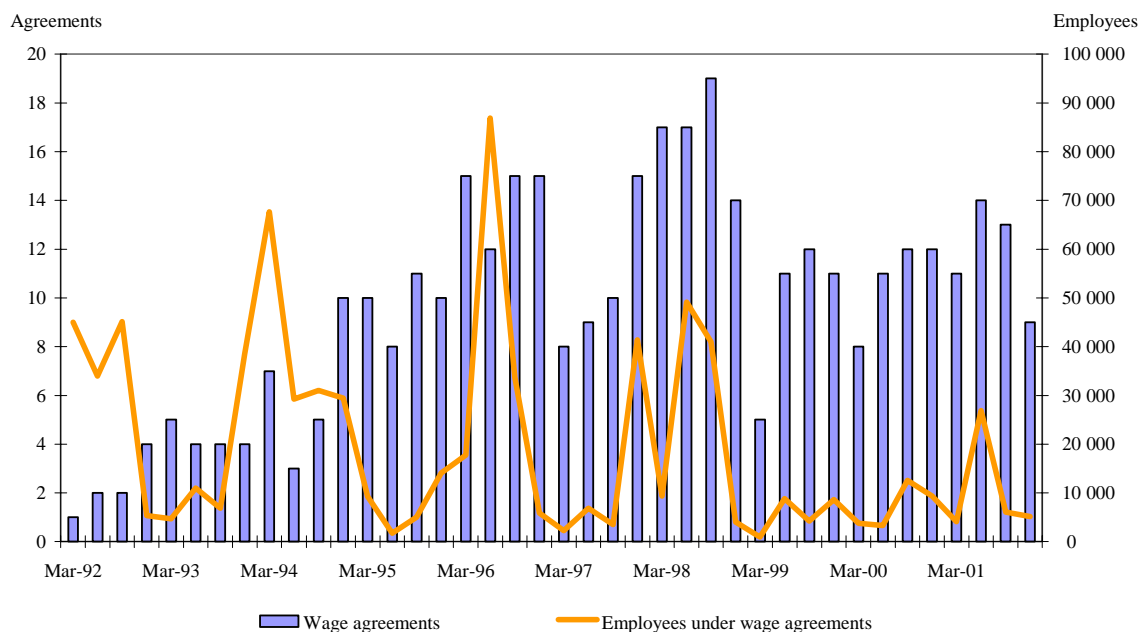
The finance and insurance industry is typified by a small number of agreements covering a large number of employees.

Agreements certified during each quarter

Chart 7 shows the number of registered federal collective wage agreements in the finance and insurance industry, certified each quarter and the number of employees covered by those agreements.¹

In the March quarter 1992 the first finance and insurance agreement was certified covering an estimated 45 000 employees. A pattern of lower than average numbers of agreements certified with higher than average employee coverage occurs in many of the subsequent quarters.

Chart 7: Growth in the quarterly certification of finance and insurance industry agreements, March quarter 1992 – December quarter 2001



SOURCE: Workplace Agreements Database (WAD), DEWR.

The industry experienced two key periods of agreement certifications in 1996 and 1998 followed by a period of more evenly spread certifications in 2000 and 2001. The cycle is quite pronounced in the employee series, with high levels in 1992, 1994, 1996 and 1998 followed by a smaller spike in June 2001. This pattern was caused by the renegotiation cycles of the four major banks with three of the major banks certifying in three different quarters in 1992; three of the banks making agreements in 1994; and all four of the major banks making agreements in 1996 – three in the June quarter 1996.

The December quarter 1997 recorded the next major round of agreement making with the other major banks certifying in the June and September quarters of 1998. The last of the major bank certifications occurred in the June quarter 2001.

The increasing periods between renegotiations reflect the growth in average agreement durations with the average employee weighted duration for all agreements certified in the quarter

¹ 'Wage agreements' are agreements that include provisions stipulating employees' wages and exclude agreements that refer to conditions only. Superannuation agreements and salary packaging agreements are common 'conditions only' agreements. These agreements are frequently made in addition to pre-existing wage agreements. To avoid double counting of employees covered by agreements, data released from the Workplace Agreements Database (WAD) is frequently expressed in terms of wage agreements.

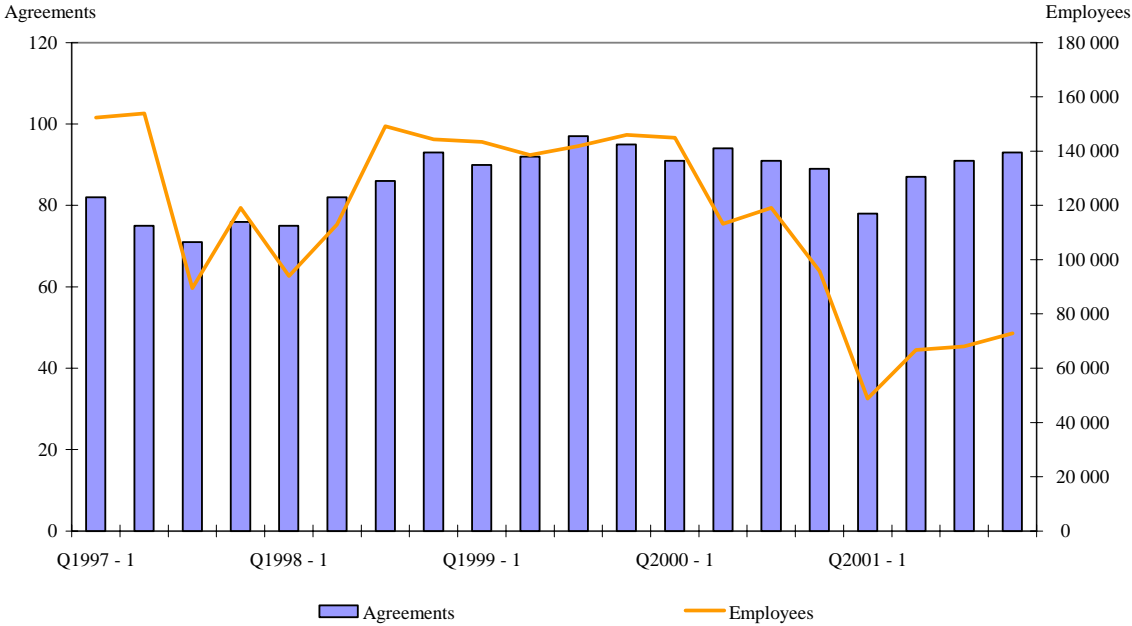
increasing from 1.5 years in the September and December quarters of 1993 to 2.3 years in the December quarter 2001.

Current agreements

A less volatile measure of agreement making than the number of agreements certified each quarter, is the number of current agreements² at any given point in time. The number of current federal wage agreements in the finance and insurance industry has remained relatively stable since 1997, ranging between 71 and 97 agreements current on the last day of each quarter. Some agreements, which were certified in 1997 and 1998, are still current, resulting in the relatively consistent agreement series.

However, the number of employees covered by current federal wage agreements has fallen since March 2000. The renegotiation cycle of the large banking agreements is evident in the employee series reflected in reduced employee coverage in the September quarter 1997 and the March quarter 1998. These reductions were attributable to the expiry of major banking agreements, which were subsequently renegotiated.

Chart 8: Growth in wage agreements current on the last day of each quarter, March quarter 1997 – December quarter 2001



SOURCE: Workplace Agreements Database (WAD), DEWR.

Chart 8 indicates a reduction in employee coverage beginning in the June quarter 2000. While there was a limited recovery in the June quarter 2001, by the end 2001 the number of employees covered was less than half its previous level. This again reflects the impact of the four major banks. While one of these banks negotiated a new agreement in the June quarter 2001, the other three banks have not yet certified replacement agreements. In the interim, all three banks have made informal agreements to provide pay increases to employees and one of the banks intends to

² Current agreements are those which have neither passed their formal expiry date nor been terminated.

continue with this arrangement. The two other banks continue to negotiate towards replacement certified agreements.

First time agreements

The number of first time agreements in the federal system is an indicator of the continuing spread of agreement making. At 31 December 2001, 28 per cent of current finance and insurance wage agreements were first time agreements, covering 11 per cent of employees. For all current wage agreements at 31 December 2001, 42 per cent were first time agreements, covering 16 per cent of all employees covered by current wage agreements.³

When compared to other industries, the finance and insurance industry had the fourth lowest proportion of current first time agreements and the third lowest proportion of employees covered by such agreements. Together with the low levels of award reliance these two characteristics reflect a more 'mature' approach to federal agreement making than in most other industries.

Case study A : a first time greenfields finance and insurance agreement

This case study examines a first time agreement that is also a greenfields agreement certified under section 170LL of the WR Act. Greenfields agreements are always first time agreements and are primarily intended for employers - in this case a community bank - proposing to establish a new business and yet to engage employees. The agreement has a duration of just over 12 months.

The agreement stipulates that an employee's rate of pay will be reviewed annually within two months of the anniversary date. This review will be based on performance. In any event, the rate of pay will be increased by any relevant Safety Net Decisions of the Australian Industrial Relations Commission made after the commencement of this agreement.

Another current agreement in finance and insurance also automatically provides for safety net increases, provided by an almost identical clause as the case study agreement. This second agreement was also certified under section 170LL and operates in the same State as the case study agreement.

CHARACTERISTICS OF FEDERAL AGREEMENTS IN FINANCE AND INSURANCE

Wage agreements under sections of the WR Act

The WR Act provides for agreements to be made with employee organisations or directly with employees. Table 2 indicates that a much higher proportion (40.9 per cent) of current finance and insurance industry agreements were made directly with employees under section 170LK than for all industries (15.4 per cent). The disparity is less apparent in the proportion of employees (17.8 per cent and 9.9 per cent respectively).

³ The proportions of first time agreements are of current federal wage agreements **that have been checked for replacement data**. In the December quarter 2001 the proportion of current federal wage agreements that had been checked for replacement data was 76 per cent the finance and insurance industry (covering 98 per cent of employees in that industry) and 46 per cent for all industries (covering 87 per cent of employees in all industries).

Current finance and insurance agreements certified under section 170LK cover an average of 341 employees and agreements made under sections LJ, LL, LN or MA, covered an average 1088 employees. These figures are considerably higher than for all agreements where section 170LK agreements covered an average 73 employees and section LJ, LL, LN or MA agreements covered an average 121 employees.

Table 7: Federal certified wage agreements by section, current at 31 December 2001.

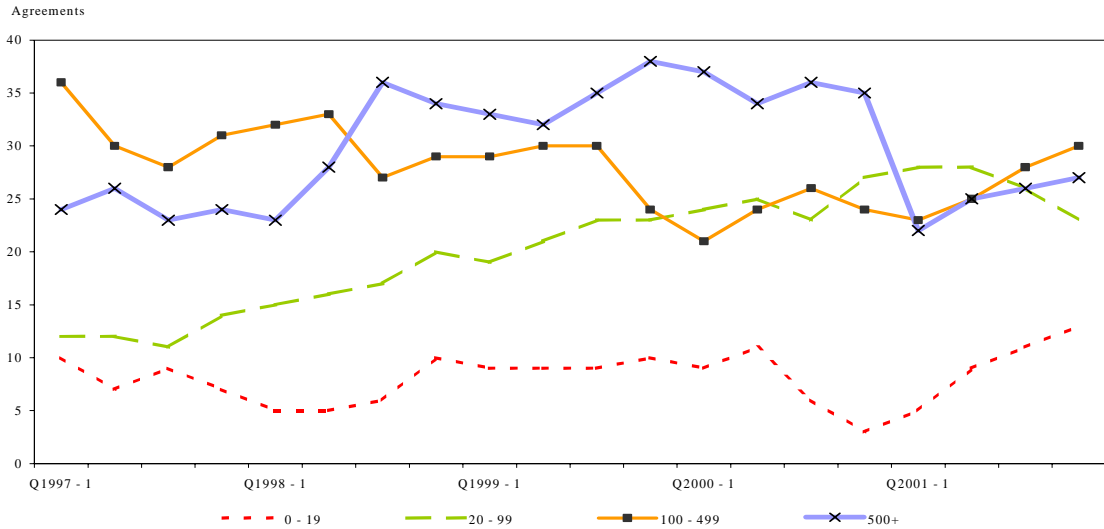
Section Code	Finance and Insurance				All Current Agreements			
	Agreements (number)	Agts (%)	Employees (number)	Emps (%)	Agreements (number)	Agts (%)	Employees (number)	Emps (%)
170LJ	43	46.2	57 215	78.5	8 389	66.0	1 028 110	71.4
170LK	38	40.9	12 973	17.8	1 954	15.4	142 860	9.9
170LL	3	3.2	358	0.5	632	5.0	18 939	1.3
170LN	9	9.7	2 312	3.2	1 731	13.6	199 892	13.9
170MA	0	0.0	0	0.0	3	0.0	49 690	3.5
<i>Total</i>	<i>93</i>	<i>100.0</i>	<i>72 858</i>	<i>100.0</i>	<i>12 709</i>	<i>100.0</i>	<i>1 439 491</i>	<i>100.0</i>

SOURCE: Workplace Agreements Database (WAD), DEWR.

Size of agreements (number of employees covered)

Chart 9 shows the distribution by size of current finance and insurance industry agreements since the introduction of the WR Act. The chart shows a steady increase in the number of current medium sized agreements (20 – 99 employees) since the introduction of the WR Act with only a small reduction in the second half of 2001. The numbers of larger agreements has been more volatile with a small overall reduction in the number of current large agreements (100 – 499 employees). The number of very large agreements (500+ employees), after maintaining a high level for two years, has returned to a much lower level. This fall follows the lengthy renegotiation lags for several very large agreements discussed under *current agreements*.

Chart 9: Growth in current agreements in finance and insurance by size



SOURCE: Workplace Agreements Database (WAD), DEWR.

Table 8 shows that the average number of employees covered by finance agreements current at 31 December 2001 (783 employees) is just under half the average at 31 December 1997 (1568 employees). The average number of employees for all current wage agreements has also declined over the last four years from 194 to 113. The finance and insurance industry has maintained its position relative to other industries with the third highest average number of employees under current agreements.

Table 8: The average employee coverage of agreements current at 31 December 1997 and 31 December 2001 by industry

	Agreements current at 31 December 1997			Agreements current at 31 December 2001		
	Agreements	Employees	Average	Agreements	Employees	Average
Agriculture, forestry & fishing	14	1 489	106	74	6 817	92
Mining	199	17 324	87	238	16 580	70
Manufacturing	1930	194 160	101	2 599	195 087	75
Electricity, gas & water supply	96	19 236	200	119	18 549	156
Construction	1479	28 110	19	5 943	76 195	13
Wholesale trade	50	4 248	85	71	6 048	85
Retail trade	109	202 805	1 861	343	235 419	686
Accommodation, cafes & restaurants	42	20 038	477	134	21 050	157
Transport & storage	597	110 233	185	981	88 259	90
Communication services	14	48 132	3 438	38	48 399	1 274
Finance & insurance	76	119 185	1 568	93	72 858	783
Property and business services	134	17 734	132	251	41 118	164
Government administration & defence	449	104 618	233	543	178 731	329
Education	117	141 171	1 207	289	241 043	834
Health & community services	217	44 741	206	660	125 591	190
Cultural & recreational services	182	38 601	212	189	43 562	230
Personal & other services	95	13 805	145	144	24 185	168
<i>All industries</i>	<i>5 800</i>	<i>1 125 630</i>	<i>194</i>	<i>12 709</i>	<i>1 439 491</i>	<i>113</i>

SOURCE: Workplace Agreements Database (WAD), DEWR.

WAGE OUTCOMES

Quantifiable and non-quantifiable wage agreements

Estimates of average wage increases are calculated for those federal wage agreements that paid *quantifiable* increases. Wage agreements for which average percentage increases could not be quantified (eg those agreements providing increases based on future Consumer Price Index increases or those agreements providing for performance based pay) are excluded from these estimates. Table 4 shows that the proportion of wage agreements that are quantifiable is lower

for the finance and insurance industry than for all industries. Very high rates of performance pay provisions in the industry have contributed to this result.

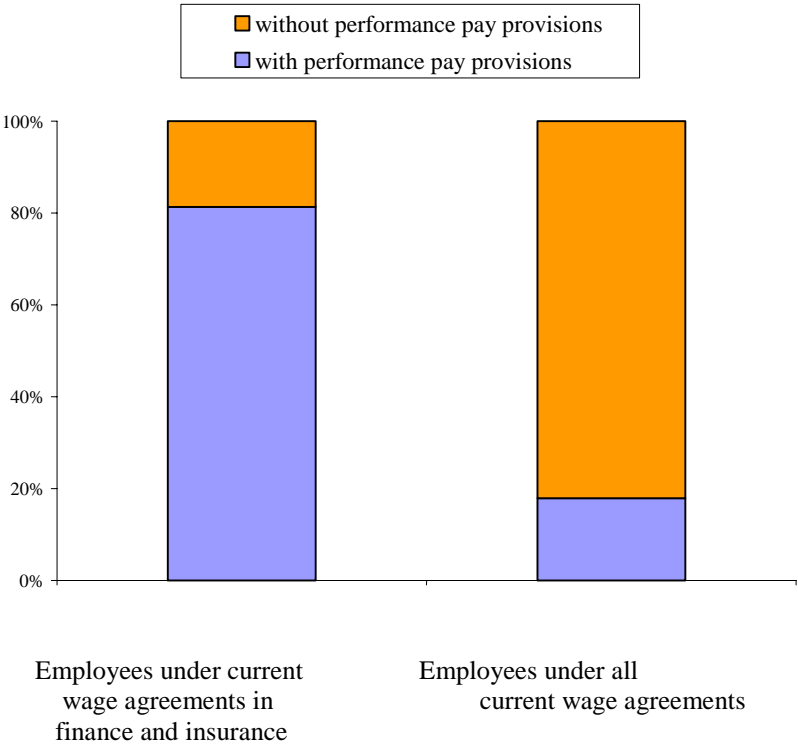
Table 9: All current agreements quantifiable federal wage agreements

Industry	Proportion of current agreements that are wage agreements		Proportion of current agreements that are quantifiable wage agreements	
	Agts (%)	Emps (%)	Agts (%)	Emps (%)
Finance and insurance	96.9	93.7	65.6	75.8
All industries	97.4	96.2	79.2	88.5

SOURCE: Workplace Agreements Database (WAD), DEWR.

As the June quarter 2001 *Trends in Federal Enterprise Bargaining* special feature indicated, the finance and insurance industry had the highest proportion of current wage agreements containing performance pay provisions of all industries. This remains the case for all current wage agreements in finance and insurance at 31 December 2001, with 42 per cent containing some type of performance pay provision, covering 81 per cent of employees. Only 7.8 per cent of all current wage agreements contained performance pay provisions, covering 17.9 per cent of employees. Chart 10 illustrates this comparison.

Chart 10: Performance pay provisions in federal wage agreements current at 31 December 2001



Source: Workplace Agreements Database, DEWR.

Case study B: Performance pay provisions

The following is a summary of remuneration provisions from a section 170LJ insurance agreement certified early in 2001 with a duration of just under two years. It provides an example of options that can be adopted in agreements to link productivity and performance. Wage increases granted under the agreement are not specified but are to be determined using the agreements' tiered remuneration system. This emphasis on performance linked remuneration is common in the finance and insurance industry.

The enterprise is committed to a tiered remuneration system that encompasses; individual performance reward, market adjustments, incentives; reward schemes; and a Remuneration Review Committee. In order to facilitate these objectives, remuneration is made up from four different components.

1. Salaries are adjusted annually with salary levels determined by
 - * the employee's performance;
 - * movement in the salary/job family range and external market data;
 - * the employee's position within the range and external market data;
 - * budget objectives;
 - * time since last review;
 - * business unit plans;
 - * business performance
2. Bonuses play an important part in staff remuneration.
3. Employees may earn incentives to a maximum of 10% of their total salary based on a combination of organisational and/or business unit and/or team and/or individual performance.
4. The enterprise provides an individual recognition component valued at 1% of the total salary bill that will operate in addition to the above processes of reviewing total salary.

AAWIs for current agreements

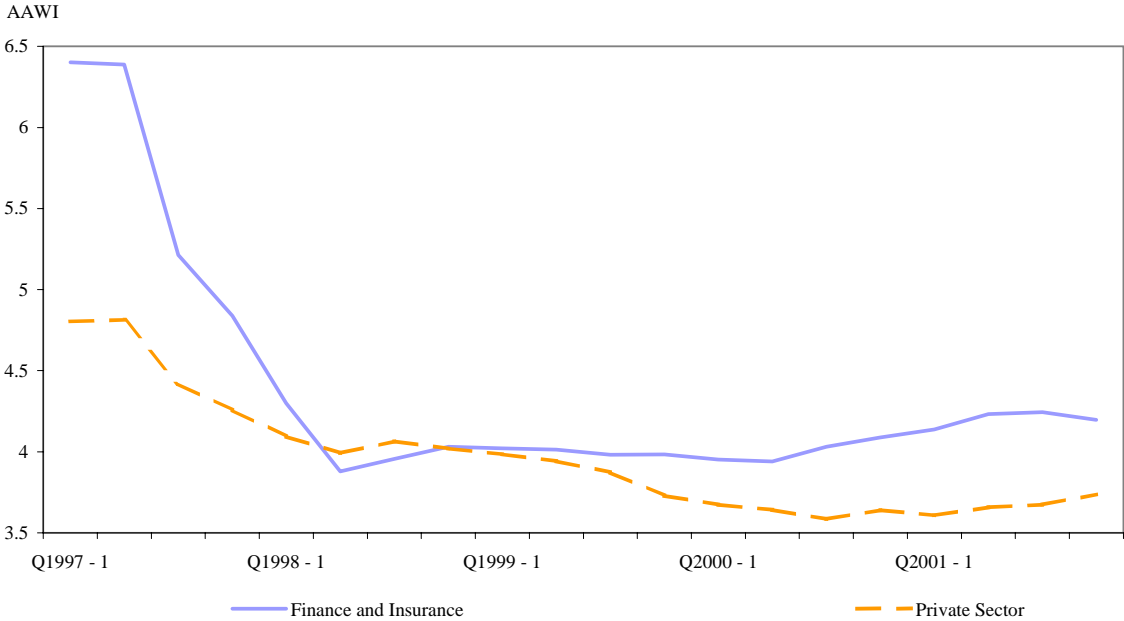
As Chart 11 indicates, in the period since the introduction of the WR Act current agreement AAWIs per employee in finance and insurance have generally been higher than for all private sector agreements. Only in the June and September quarters of 1998 were AAWIs in finance and insurance below those for the private sector. The lower AAWI for current agreements in these two quarters was the result of the expiry of a major banking agreement that provided more than 25 000 employees an AAWI of 5.4 per cent.¹

While both series declined in the first part of the period, the decline in finance and insurance wage outcomes was markedly steeper than the private sector overall. This reflects the wage and expiry patterns of the four major banks. In the December quarter 1997 a major banking

¹ *Trends in Federal Enterprise Bargaining* reports the AAWI **per employee**. This measure is calculated by weighting the AAWI per agreement by the number of employees covered by that agreement. While it is possible to average the AAWIs of a set of agreements to provide an AAWI **per agreement**, this measure tends to distort the AAWI by allowing agreements with a single employee to make the same contribution to the measure, as agreements covering tens of thousands of employees. The AAWI **per agreement** of finance and insurance agreements current at 31 December 2001 is 3.5 per cent per agreement down 0.1 percentage points from the September quarter AAWI of 3.6 per cent per agreement.

agreement covering more than 27 000 employees expired after providing employees wage increases of 6.0 per cent per year.

Chart 11: AAWIs per employee in the finance and insurance industry



SOURCE: Workplace Agreements Database (WAD), DEWR.

In addition, two major banking agreements expired during the September quarter 1997.² One of these agreements covered over 25 000 employees and provided a high AAWI of 7.0 per cent. The second agreement covered more than 35 600 employees and provided an AAWI of 8.8 per cent – the third highest recorded AAWI for agreements with more than 500 employees that were current at, or certified after, 1 January 1997.

More recently, AAWIs for current finance and insurance agreements have been more consistent with those in the private sector. In the last three quarters of 2001 the AAWI for current private sector agreements has been 3.7, 3.7 and 3.8 per cent per employee while the AAWI for current finance and insurance agreements has been unchanged at 4.2 per cent per employee.

² An agreement that expires on a given date is deemed to be current on that date – these agreements were current on the last day of the June quarter – 30 June 1997 and not current on the last day of the September quarter 1997

Case study C: A section 170LK finance and insurance agreement providing a high AAWI and including a 'Vision statement'.

This large agreement was certified under Section 170LK and provides an AAWI of 7.0 per cent for just under 600 employees. The agreement is focussed on productivity and includes details of the enterprises' values.

The inclusion of vision statements, enterprise values, and agreement aims within collective agreements has become increasingly common in agreement making. Finance and insurance industry agreements may use these statements to articulate enterprise goals and focus the agreement on desired productivity outcomes.

“This agreement has been produced by a 'Core Team' of employees from throughout Australia. Their purpose was to bring forward views a[nd] recommendations from all employees to establish an Agreement that would [create a] positive and innovative working environment and position us to be the most competitive in our market place.

LOOKING AFTER OUR PEOPLE - BEING 'THE EMPLOYER OF CHOICE'

Our Values

We believe our leaders:-

- * Are passionately focused on driving customer success
- * Live Six Sigma Quality, ensure that the customer is always its first beneficiary and use it to accelerate growth
- * Insist on excellence and are intolerant of bureaucracy
- * Act in a boundaryless fashion, always search for and apply the best ideas regardless of their source
- * Prize global intellectual capital and the people that provide it build diverse teams to maximise it
- * See change for the growth opportunities it brings
- * Create a clear, simple, customer-centred vision and continually renew and refresh its execution
- * Create an environment of 'stretch', excitement, informality and trust, reward improvements and celebrate results
- * Demonstrate always with infectious enthusiasm for the customer the 4-E's of leadership: the personal Energy to welcome and deal with the speed of change, the ability to create an atmosphere that Energizes others, the Edge to make difficult decisions and the ability to consistently Execute.”

AAWIs for agreements certified during the quarter

The AAWI provided by finance and insurance wage agreements certified in the December quarter 2001 was 3.7 per cent per employee, down 0.4 percentage points from the September quarter AAWI of 4.1 per cent per employee. The AAWI for all private sector wage agreements certified in the December quarter was unchanged from the September quarter AAWI of 3.8 per cent per employee.

These data are based on only nine wage agreements that were certified in the finance and insurance industry during the December quarter 2001, covering just 5 100 employees. The renegotiation of a single expired major banking agreement would effect five times that number

of employees and impact on AAWIs for agreements certified in the quarter and current agreements for this industry.

EMPLOYMENT CONDITIONS

Main provisions

Table 10 compares the incidence of main provisions in agreements in the finance and insurance industry with the incidence across all industries. Hours of work provisions and training provisions are the most popular included in certified agreements, and this is also the case in the finance and insurance industry agreements. However, the outcomes are different for several provisions, notably long service leave, equity provisions, parental leave, consultative arrangements and occupational health and safety. The generally higher incidence of core conditions such as hours and leave provisions may in part be due to the larger proportion of comprehensive agreements³ in the finance and insurance industry (seventeen per cent) compared to total agreements (seven per cent).

Table 10: General provisions in current certified agreements at 31 December 2001

	Finance and insurance	All industries
<i>General provisions</i>	<i>% of agreements</i>	<i>% of agreements</i>
Long service leave	79	45
Annual leave	84	68
Personal/careers leave	84	81
Overtime	93	72
Salary provisions	47	40
Public holidays	79	68
Trade union	60	71
TCR	85	82
OHS	61	85
Labour relations equity	64	38
Consultative arrangements	44	70
Superannuation	76	83
Parental leave	35	8
Contract labour	86	85
Hours of work	95	90
Shift work	60	50
Work/performance indicators	83	92
Training	95	93
Total agreements (number)	96	12994

Source: Workplace Agreements Database, DEWR

Table 10 shows that parental leave is the least common provision in agreements, both across all industries and the finance and insurance industry. This outcome may arise through organisations relying on other mechanisms to provide the entitlement such as the WR Act, which provides unpaid leave after 12 months continuous service, and public sector employees generally having an entitlement to paid parental leave from legislation. That said, parental leave was four times more likely to be included in finance and insurance agreements, (35 per cent compared to eight per cent), which may in part reflect the greater concentration of female employees covered by

³ The agreement is all inclusive of the terms and conditions of employment. The agreement will operate to the exclusion of all previous agreements or awards.

federal certified agreements in this industry (69 per cent compared to 47 per cent across all industries).⁴

Table 10 shows that consultative arrangements were the second least common provisions in finance and insurance agreements at 44 per cent. This is much lower than for all industries (70 per cent), which may reflect the greater incidence of non-unionised agreements in the finance and insurance industry where formal consultation procedures and representation are less common. (See Table 11).

Table 11 - Section type distribution of current agreements at 31 December 2001

	Finance and insurance		All industries	
	<i>% of agreements</i>	<i>% of employees</i>	<i>% of agreements</i>	<i>% of employees</i>
170LJ	46	75	65	73
170LK	41	17	16	10
170LL	3	*	5	1
170LN	10	8	13	15

Source: Workplace Agreements Database, DEWR

* less than 0.5 per cent

Flexible hours

Hours of work are one of the most common groups of provisions in collective agreements. Table 12 examines the incidence of a range of working hour provisions that have the potential to provide flexibility for employees. A number of these flexible working hour provisions were included in agreements in the finance and insurance industry to a greater extent than all agreements, for example, provisions enabling negotiation of hours are twice as likely to be included in finance and insurance agreements as in all industry agreements.

⁴ This dataset of agreements is limited to those agreements where the number of female employees in collective agreements is known. (53 per cent of all agreements that expire after the 31/12/01)

Table 12: Flexible working hour provisions in current certified agreements at 31 December 2001

<i>Flexible working hour provisions</i>	Finance and insurance	Total agreements
	<i>% of agreements</i>	<i>% of agreements</i>
Make up time	14	7
TOIL at ordinary rates	49	11
TOIL at penalty rates	21	6
Hours of work averaged over extended period	8	4
Compressed working week	1	2
Start and finish times flexible	8	3
Flexitime system	15	3
Hours of work may be negotiated	29	13
Hours decided by a majority of employees	2	9
Banking/accrual of RDO's	9	41

Source: Workplace Agreements Database, DEWR

Family friendly provisions

Table 13 shows that finance and insurance industry agreements were more likely to contain a number of family-friendly provisions compared to the total of all industries. Provisions such as family carers leave, regular days/hours rostered for part-time workers, access to other leave for family caring purposes, paid maternity leave and job sharing were among the provisions that were much more prominent in the finance and insurance industry agreements.

Table 13: Family friendly provisions in current certified agreements at 31 December 2001

<i>Family friendly provisions</i>	Finance and insurance	Total agreements
	<i>% of agreements</i>	<i>% of agreements</i>
Flexible/facilitative annual leave	10	6
Access to single days annual leave	19	13
48/52 career break/purchased leave	14	3
Sick leave unlimited	2	1
Family carers leave	76	27
Extended unpaid parental leave	17	2
Regular hours/days rostered for part-time work	30	7
Home based work	14	1
Family responsibility provisions	17	3
Child care provisions	8	1
Access to other leave for family caring purposes	52	18
Paid family leave	16	3
Paid maternity leave	29	7
Paid paternity leave	19	4
Paid adoption leave	14	2
Job sharing	35	3

Source: Workplace Agreements Database, DEWR

Table 14 shows that finance and insurance industry agreements were also twice as likely as all agreements to contain at least one family friendly with two agreements containing twelve family provisions (“HIC (Business Improvement) Certified Agreement 2001-2003” and “VicSuper Pty Ltd Certified Agreement 2001”).

Table 14 also shows that organisations in the finance and insurance industry are including family friendly provisions in agreements regardless of their size (88 per cent of agreements covering 89 per cent of employees). In contrast, for all agreements, these provisions are far more likely in larger organisations (44 per cent of agreements covering 80 per cent of employees).

Table 14: Multiple family friendly provisions in current certified agreements at 31 December 2001

<i>Number of Provisions</i>	<i>Finance and insurance</i>		<i>All Industries</i>	
	<i>% of agreements</i>	<i>% of employees</i>	<i>% of agreements</i>	<i>% of employees</i>
12	2	6	#	#
11	2	7	*	1
10	1	9	*	1
9	#	#	*	1
8	4	12	*	4
7	7	5	1	4
6	5	3	1	9
5	14	33	2	14
4	17	5	4	10
3	14	4	8	8
2	13	3	10	12
1	9	3	13	14
TOTAL	88	89	41	80

Source: Workplace Agreements Database, DEWR

no agreements recorded

* less than 0.5 per cent

Table 15 shows a number of provisions in agreements in the finance and insurance industry are evenly distributed according to organisational size, for example, paid maternity leave, access to other leave for family caring purposes, and flexible/facilitative annual leave.

Table 15 - Family friendly provisions in finance and insurance in current agreements, by organisational size at 31 December 2001

	1-19 employees	20-99 employees	100-499 employees	500+ employees
<i>Family Friendly Provision</i>	<i>% of agreements</i>	<i>% of agreements</i>	<i>% of agreements</i>	<i>% of agreements</i>
Flexible/facilitative annual leave	15	9	10	10
Access to single days annual leave	15	13	13	31
48/52 career break/purchased leave	#	#	6	38
Sick leave unlimited	#	#	3	3
Family carers leave	62	78	74	83
Extended unpaid parental leave	8	22	10	24
Regular hours/days rostered for part-time work	15	22	29	45
Home based work	#	9	13	24
Family responsibility provisions	8	22	13	21
Child care provisions	8	9	3	14
Access to other leave of family caring purposes	54	48	52	55
Paid family leave	15	13	10	24
Paid maternity leave	31	26	26	34
Paid paternity leave	15	17	16	24
Paid adoption leave	8	4	16	21
Job sharing	8	26	39	52
Total	14	24	32	30

Source: Workplace Agreements Database, DEWR
no agreements recorded

Case study D: Provisions designed to assist in the work/life balance

A recently certified agreement in finance and insurance incorporates numerous working life factors. This agreement covers over 4000 employees and contains a combination of 12 family friendly provisions from Table 8 and five flexible working hour provisions from Table 7.

Part F of the agreement “Achieving a Better Work/Life Balance” contains initiatives such as a healthy lifestyle subsidy and a vacation childcare subsidy. The healthy lifestyle subsidy permits the managing director to subsidise an eligible permanent employee up to \$100 per calendar year to assist in meeting health program costs and/or membership. Programs include gymnasium and swimming pool fees, quit smoking fees, dietary memberships and swimming lesson fees.

The employer will subsidise school holiday care during December/January school holidays for children of employees who have applied for leave during operational requirements. The maximum payment that may be made is \$100 per week per employee.

Enterprise bargaining encourages tailoring of agreements to suit the needs of an organisation within an industry. The finance and insurance industry agreements differ significantly in their coverage of issues to overall industry agreements and show less variation across different size agreements than is generally the case. Factors for such differences may include the comprehensiveness of finance and insurance agreements and the higher concentration of females within the industry. Finance and insurance agreements are more likely to include a range of flexible hours provisions and family friendly provisions.

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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 90 per cent of all new agreements certified in the December quarter 2001. 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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