



1998 UPDATE

Collective agreement-making
under the Workplace
Relations Act

January to June 1998

Update to the 1997 Report on
Agreement-Making under the
Workplace Relations Act



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1. INTRODUCTION

This paper provides a brief update for the first six months of 1998 of some of the key elements of the *1997 Report on Agreement Making under the Workplace Relations Act* (the 1997 Report). In particular, it examines developments in agreement coverage; recent wage outcomes for the designated groups (that is, women, part-time employees, persons from a non-English speaking background and young persons); further developments in a number of employment conditions; and developments in agreements made directly with employees.

This paper looks at federal collective agreements (certified agreements) formalised under the *Workplace Relations Act 1996* (the WR Act) - the Office of the Employment Advocate is preparing related material on developments in Australian Workplace Agreements.

The principal source of data on agreement making in the federal system is the Workplace Agreements Database (WAD) which is maintained by the Department of Workplace Relations and Small Business (DWRSB). It includes details on the wages and conditions of federal agreements made between the introduction of formalised enterprise bargaining in October 1991 and 30 June 1998.

The number of agreements certified in the period January to June 1998 and entered on to the WAD results in a sample size, for statistical purposes, of around half that analysed for the 1997 Report. Similarly, the number of employees covered by agreements in 1998 is approximately half of that reported on in the 1997 Report. Consequently, the results, particularly as they relate to employment conditions, should be interpreted with some caution.

2. DEVELOPMENTS IN COLLECTIVE AGREEMENT-MAKING

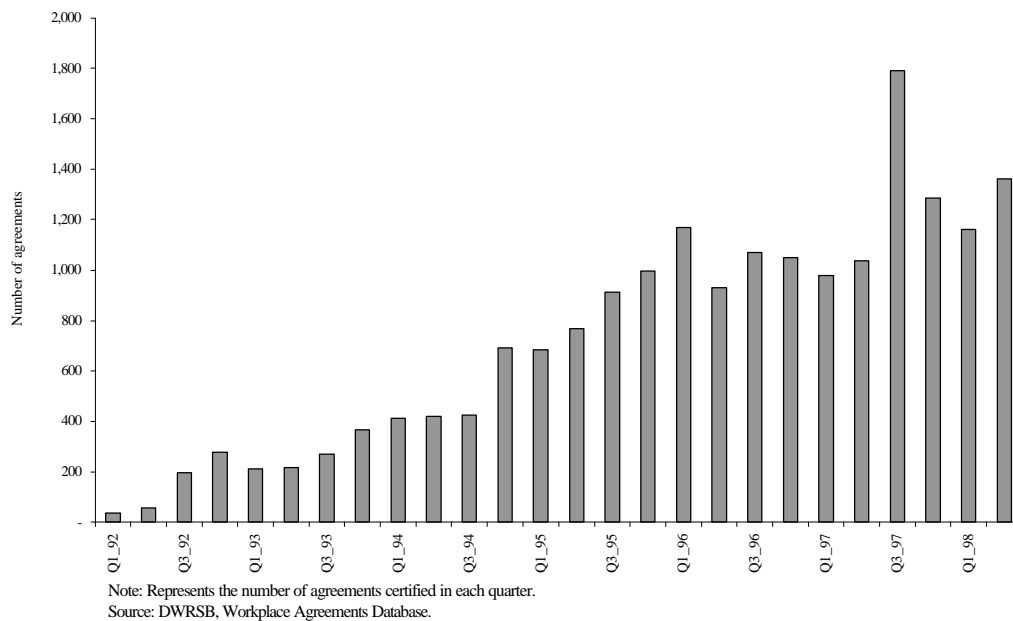
2.1 Spread and coverage of federal collective agreements

According to the WAD, over 18,700 agreements had been formalised by the Australian Industrial Relations Commission (AIRC) from October 1991 to 30 June 1998. Of these, over 40% have been certified in the 18 months since the introduction of the WR Act - with 5,090¹ agreements covering an estimated 732,000 employees certified during 1997, and 2,522 agreements covering an estimated 386,300 employees certified during the first six months of 1998.²

¹ Data for 1997 reported in the Update may differ slightly from the figures for 1997 in the Report on Agreement Making under the Workplace Relations Act because, subsequent to when data was provided to NILS, new agreements certified in 1997 were added to the database and some employee numbers were adjusted.

² Estimates of the number of employees covered by agreements are rounded to the nearest 100.

Chart 1: Number of federal collective agreements certified by quarter, June 1998



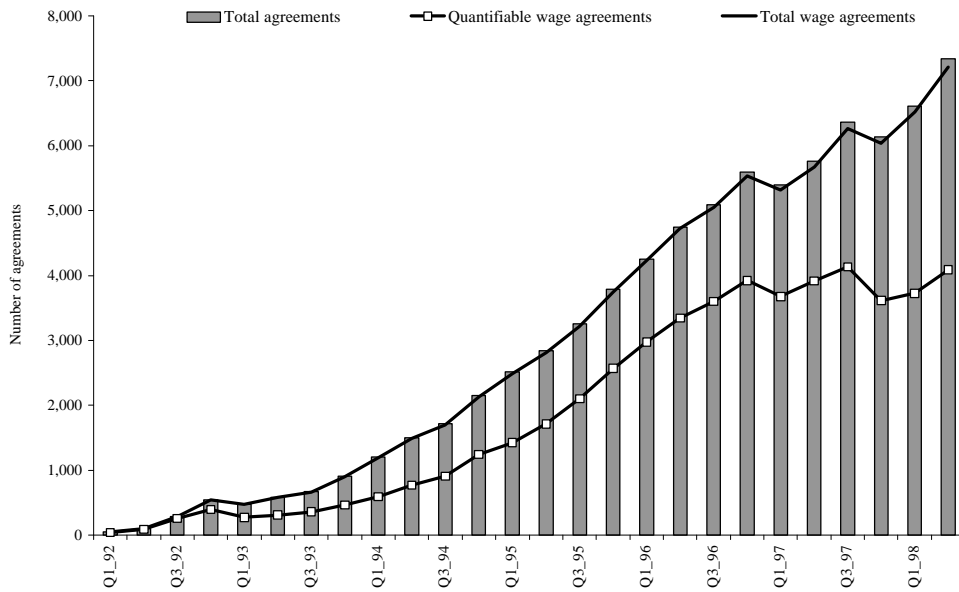
As Chart 1 demonstrates, there has been renewed growth in the pace of agreement-making under the WR Act. After an initial “settling in period” during the first half of 1997 when the number of new agreements formalised plateaued, agreement-making accelerated strongly in the second half of 1997. This trend has continued with the number of agreements certified in the first six months of 1998 also considerably higher than the corresponding period in 1997.

The acceleration in the spread of collective agreements is even more apparent when we look at the number of agreements that were current (that is, had not reached their expiry date) at the end of each quarter. Following the approach used in the 1997 Report, Chart 2 shows the number of current agreements in three categories – total agreements, agreements containing a wage increase (total wage agreements) and agreements with a quantifiable wage increase (quantifiable wage agreements).

In the first six months of 1998 there was strong growth in the total number of collective agreements that were current at the end of each quarter. The number of current agreements grew by 9.4% in the first six months of 1998, compared to an annualised rate of growth of 5.0% for 1997. This growth was also reflected in the number of wage agreements.

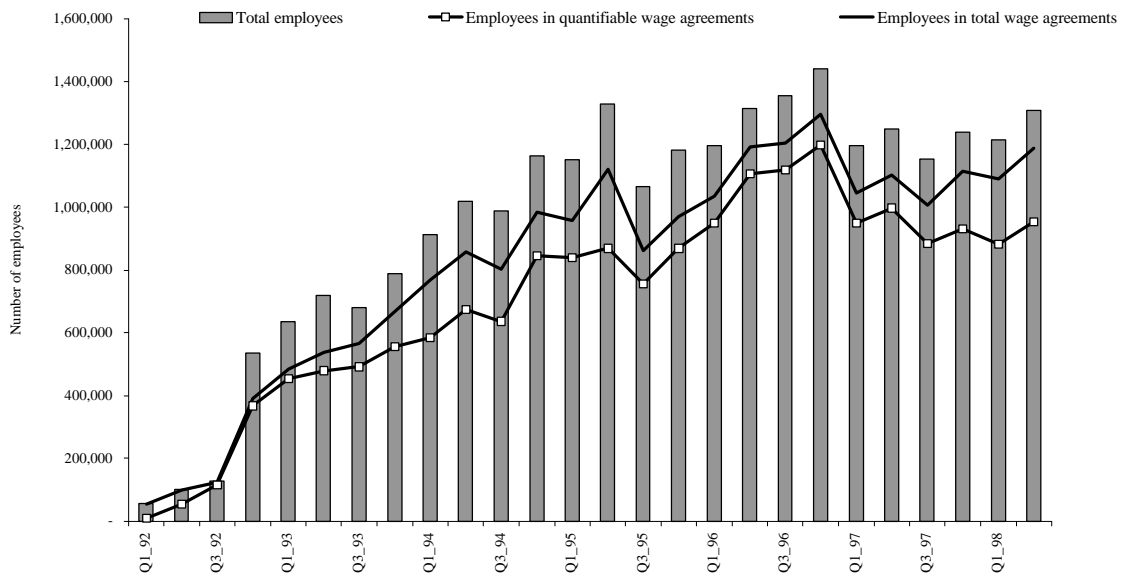
The number of employees covered by current collective agreements also increased during the first half of 1998, particularly in the June quarter as can be seen from Chart 3. The annualised growth rate in the number of employees covered by current agreements in 1997 was 1.8%. In the first two quarters of 1998, it was 3.8%.

Chart 2: Spread of federal collective agreements current in each quarter, June 1998



Note: Represents all current agreements. See also: 1997 Report, Figure 2.1, p. 15.
Source: DWRSB, Workplace Agreements Database.

Chart 3: Employee coverage of current federal collective agreements, June 1998



Note: Represents all current agreements. See also: 1997 Report, Figure 2.2, p.16
Source: DWRSB, Workplace Agreements Database.

2.2 Agreement-making by sector and industry

In 1997 4,333 private sector agreements were certified, covering an estimated 454,900 employees. As can be seen from Table 1, the private sector accounted for 85% of all the agreements formalised in 1997, but less than 60% of the employees covered by

those agreements. By contrast, public sector agreements covered just over 40% of employees, but only accounted for 15% of the agreements certified in 1997. This balance shifted further in favour of the private sector in the first six months of 1998, when the proportion of new public sector agreements dropped to 14% and the proportion of employees covered by these agreements decreased to 33%.

Table 1 Number and coverage of federal collective agreements by sector, 1997 and January – June 1998

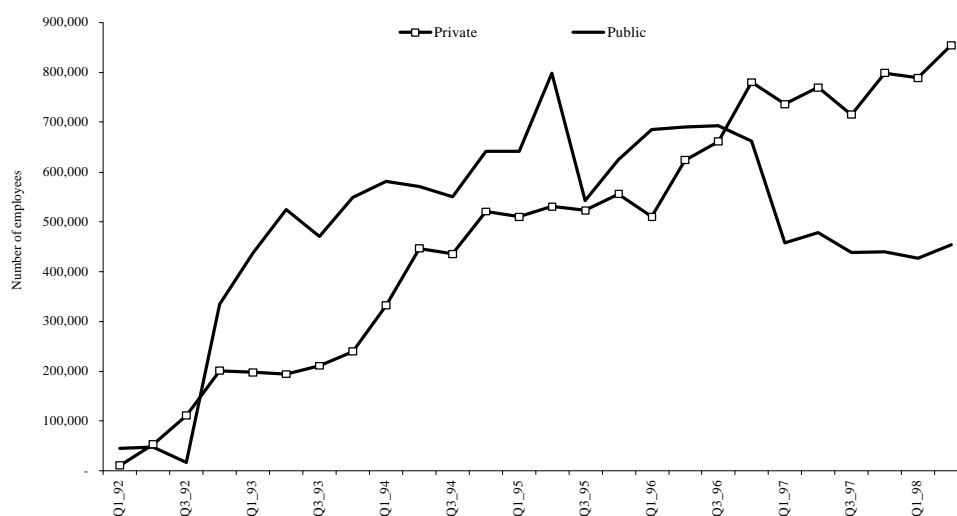
Sector	1997		1998	
	Number of agreements	% employees covered	Number of agreements	% employees covered
Private	4,333	59.4	2,163	66.6
Public	757	40.6	359	33.4
Total	5,090	100.0	2,523	100.0

Source: DWRSB, Workplace Agreements Database.

The shift in the balance between the private and public sectors is also evident from the perspective of all current agreements. Chart 4 shows the number of employees covered by current agreements in the private and the public sectors. There has been a continued increase in the number of private sector employees covered by federal agreements since the introduction of the WR Act – over the four quarters of 1997, the average percentage increase in the number of employees covered by current agreements in the private sector was 1.0%, whereas for the first six months of 1998, the average percentage increase was 3.5%.

By contrast, the number of public sector employees covered by current agreements declined from 1 January 1997 to 30 June 1998.

Chart 4: Employee coverage of federal collective agreements by sector, June 1998



Note: Represents all current agreements. See also, 1997 Report, Figure 2.3, p. 17
Source: DWRSB, Workplace Agreements Database.

Table 2 shows the number of agreements by industry and the proportion of all agreements that these represent for 1997 and the first six months of 1998. Over this period there has been a clear increase in the proportion of agreements made in service industries. In particular, the proportion of agreements made in health and community services increased from 3.4% in 1997 to 9.7% in 1998, and in personal and other services, the proportion of agreements increased from 1.0% in 1997 to 3.6% in 1998. Smaller increases were also evident in retail trade and finance and insurance. In contrast, the proportion of agreements in manufacturing and transport and storage declined. This demonstrates the WR Act has had some success in encouraging collective agreement-making in industries in which bargaining has previously not been as widespread.

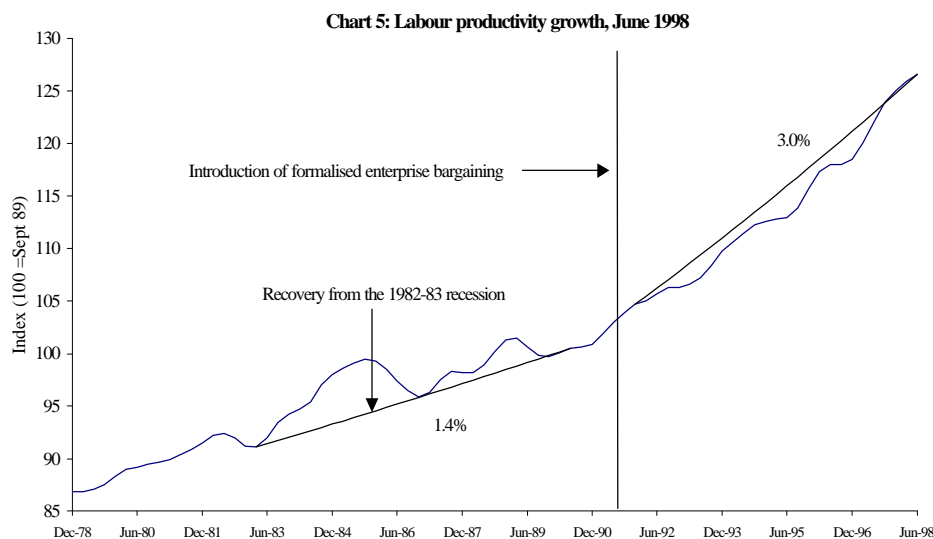
Table 2 Spread of federal collective agreements by industry, 1997 and January – June 1998

<i>Industry</i>	1997		1998	
	Number	% Total	Number	% Total
Agriculture, forestry and fishing	9	0.2	4	0.2
Mining	141	2.8	73	2.9
Manufacturing	1,399	27.5	610	24.2
Electricity, gas and water supply	80	1.6	26	1.0
Construction	1,625	31.9	753	29.9
Wholesale trade	39	0.8	11	0.4
Retail trade	76	1.5	56	2.2
Accommodation, cafes and restaurants	40	0.8	22	0.9
Transport and storage	483	9.5	208	8.2
Communication services	13	0.3	8	0.3
Finance and insurance	48	0.9	37	1.5
Property and business services	121	2.4	54	2.1
Government administration and defence	517	10.2	223	8.8
Education	118	2.3	62	2.5
Health and community services	175	3.4	244	9.7
Cultural and recreational services	157	3.1	39	1.5
Personal and other services	49	1.0	92	3.6
Total	5,090	100	2,522	100

Source: DWRSB, Workplace Agreements Database.

2.3 Enterprise bargaining and labour productivity

The 1997 Report notes that while enterprise bargaining was only one of the many changes which has directly impacted on the operation of the Australian labour market, there is nevertheless some evidence to suggest that since the introduction of formalised bargaining labour productivity has grown at rates in excess of those experienced prior to bargaining. As the data in Chart 5 show, this positive trend has been maintained since the introduction of the WR Act.



Note: See also 1997 Report, Figure 2.6, p.21
 Source: ABS, National Accounts, Cat. No. 5206.0

3. IMPACT OF FEDERAL COLLECTIVE AGREEMENTS ON DESIGNATED GROUPS OF EMPLOYEES

Section 358A of the WR Act requires a report to be prepared on developments in agreement making, including the effects that bargaining has had on the employment (including wages and conditions of employment) of women, part-time employees, persons from a non-English speaking background and young persons. In the 1997 Report and in this 1998 Update these groups of employees are referred to as designated groups.

This section provides information on the proportion of employees in the designated groups covered by agreements certified in the first six months of 1998, together with information on the wage increases and conditions of employment for these groups.³

3.1 Coverage of designated groups

WAD data show the proportion of women covered by agreements increased from 37.3% in 1997 to 45.6% in the first six months of 1998, which is slightly in excess of the actual representation of women in the labour force. There were also increases over the same period in the proportion of part-time employees and young people covered by agreements, while the coverage of NESB employees as a share of all agreement covered employees declined.

³ This section of the 1998 Update reports actual numbers of employees in the designated groups rather than estimates of employees covered.

Table 3 Coverage of designated groups, 1997 and January – June 1998

<i>Designated group</i>	1997		1998	
	Proportion of the labour force %	Coverage in certified agreements %	Proportion of the labour force %	Coverage in certified agreements %
Female employees	44.7	37.3	43.5	45.6
Part-time employees	25.4	11.0	26.2	13.2
Non-English speaking background	13.4	9.7	13.4	8.9
Less than 21 years of age	10.0	7.6	n.a.	12.4

Note: Part-time employees work less than 35 hours per week.
 Persons from a non-English speaking background are those born outside Australia from countries other than the main English speaking countries.
 More recent ABS data on the proportion of employees younger than 21 years of age has not been published.

Source: ABS, Labour Force, Australia, Cat. no. 6203.0, August 1997.

ABS, Labour Force, Australia, Cat. no. 6203.0, June 1998.

DWRSB, Workplace Agreements Database.

3.2 Wage outcomes for designated groups

Table 4 provides a comparison of the average annualised wage increase (AAWI) per employee for designated groups covered by agreements which were certified in 1997 and between 1 January and 30 June 1998. The number of employees covered by these agreements is also provided, along with wage and employee coverage data for the designated groups by their percentage distribution in particular agreements.

As can be seen in the table, the differential observed in 1997 between the AAWIs for female and male employees and between full-time and part-time employees has narrowed over the first six months of 1998. People from a non-English speaking background continued to receive bigger increases, on average, than those from English speaking background, while the 1997 pattern in which young persons on average received less than adults also continued into 1998. The 1998 data also show a decrease in AAWI across all designated groups, consistent with recent downward trends in wage outcomes from enterprise bargaining seen across all industries and all sectors.

In 1998, agreements where women make up between 40% and 60% of the employees covered had the highest AAWI (4.4%). This contrasts with findings from 1997, where male dominated agreements (that is, agreements with less than 40% female employees) had the highest AAWI. However, female dominated agreements (that is, where more than 60% of the employees were women) continued to have the lowest AAWI (3.5%).

Table 4 Wage increases and coverage for employees in designated groups by federal collective agreements, 1997 and January – June 1998

<i>Designated group</i>	1997		1998	
	% AAWI	Employees	% AAWI	Employees
<i>Gender</i>				
Females	4.1	180,743	3.7	140,546
Males	4.7	237,700	3.9	167,522
<i>Percentage female*</i>				
Low (<40%)	5.0	181,677	3.8	124,821
Mixed (40% to 60%)	4.7	86,704	4.4	51,261
High (>60%)	3.6	150,062	3.5	131,986
<i>Hours of work</i>				
Part-time	4.0	45,529	3.6	40,439
Full-time	4.5	367,512	3.8	267,068
<i>Percentage part-time*</i>				
None	4.7	87,566	4.7	51,764
>0% and <20%	4.5	219,257	3.7	163,357
20% or more	4.0	106,218	3.5	92,386
<i>English speaking background</i>				
Non English speaking background	4.6	38,142	4.0	23,110
English speaking background	4.5	324,935	3.7	237,206
<i>Percentage NESB*</i>				
None	4.5	107,870	3.8	54,806
>0% and <20%	4.4	193,077	3.7	182,400
20% or more	4.7	62,130	4.3	23,110
<i>Age</i>				
Less than 21 years of age	4.1	26,573	3.5	37,838
21 years of age and over	4.4	381,080	3.8	266,128
<i>Percentage young*</i>				
None	4.7	56,036	3.6	65,005
>0% and <20%	4.4	324,368	4.0	182,775
20% or more	4.2	27,249	3.4	56,186

Notes: Percentage distribution is per workplace for which actual employee numbers are known.

Only quantifiable wage agreements are included.

Only agreements with actual known employees are included.

Wage Duration is duration from date of first wage increase to expiry of agreement.

AAWI and wage duration figures are based on employee weighted calculations.

See also, 1997 Report, Table 5.7, p. 70.

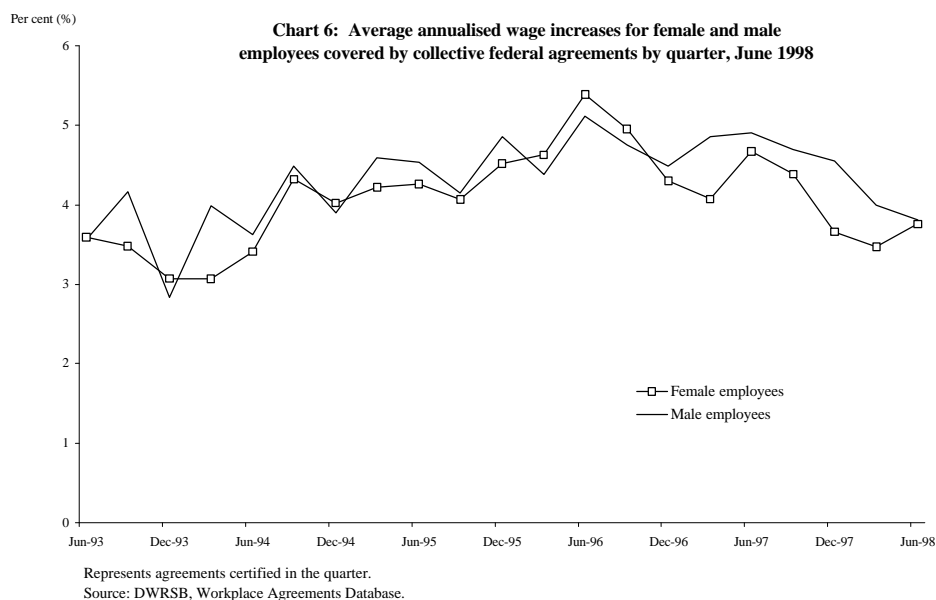
Source: DWRSB, Workplace Agreements Database.

A similar picture emerges for young persons. In 1997, AAWI varied inversely with the proportion of young people covered by the agreement. This pattern was less clear-cut in 1998, where agreements with a relatively low proportion of young people (between 0% and 20%) had the highest AAWI at 4.0%, compared to agreements that did not cover any young persons at 3.6%, or covered a relatively high proportion of young persons (20% or more) at 3.4%. However, for the other designated groups the pattern observed in 1997 continued in the first six months of 1998.

3.2.1 Enterprise bargaining and the gender wage differential

The 1997 Report comments that several organisations representing women, which were consulted during the preparation of the Report, had raised concerns that enterprise bargaining was contributing to a widening of the gender wage gap.

Chart 6 shows AAWI for women and men by quarter, since June 1993. While the data have been quite volatile, there appears to have been little if any difference between average wage increases secured by men and women over most of this period of time. Significantly, the gap in AAWI that opened up at the end of 1996 had closed again by the end of June 1998. An issue for further consideration is whether women may be more prepared than men to trade-off higher wage increases for enhanced employment conditions.

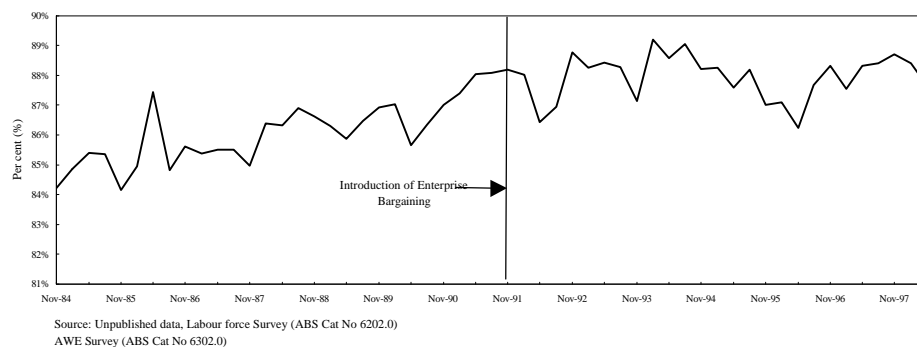


Another way of looking at the impact of enterprise bargaining on male and female earnings is to examine aggregate data on the gender wage ratio. The data in Chart 7 were compiled by using unpublished data on average hours worked, for wage and salary earners by sex and age (excluding agriculture) from the Labour Force Survey (ABS Cat. No. 6202.0), and original average weekly earnings (AWE) data for full-time adult males and females from the AWE survey (ABS Cat. No. 6302.0).

The chart supports the view that the gender earnings ratio has continued to improve during the 1990s, beyond the introduction of enterprise bargaining in October 1991. The ratio of hourly earnings for full-time adult females relative to males rose from 84.2% in May 1984 to a high of 89.2% in February 1994, an increase of 5.0 percentage points.

Chart 7 also confirms that the introduction of the WR Act has not adversely affected the gender earnings ratio, which has generally levelled off since the mid-1990s. Since its peak in February 1994, the ratio of female to male hourly earnings for full-time adults has recorded a low of 86.2% in May 1996 and a subsequent high of 88.7% in November 1997. It currently stands at 87.7%.

Chart 7: Ratio of female to male average hourly earnings full-time adult employees (original data)



3.3 Key developments in employment conditions

Employment conditions data covering the first two quarters of 1998 generally follow the trends established in agreement making in 1997, though some differences have emerged. In the 1997 Report, the total number of agreements reported on for conditions was 4,198, while for the first six months of 1998 it is 2,511. Similarly, the number of employees covered by agreements in 1998 is approximately half of that reported on in the 1997 Report.

3.3.1 Main provisions in federal collective agreements

For the main agreement provisions in Table 5, except 'Hours of Work' and 'EEO', there has been an increase in both the proportion of agreements containing, and the employees covered, by these provisions. The proportion of agreements containing 'Hours of Work' provisions has fallen from 84% of all collective agreements in 1997 to just under 48% in 1998.

The key provisions in 1998 (in terms of employees covered) continued to be training and leave provisions, but there has been a significant proportional increase for some other provisions. 'Labour Relations Equity' provisions cover 71.4% of employees in the 1998 data set (up from 59.1%), superannuation related matters cover 62.5% (up from 50.1%) and the proportion of employees covered by AWA related provisions⁴ has almost doubled, up from 19.8% to 35.7%.

⁴ The agreement is defined as containing AWA provisions if it allows an AWA to be negotiated (including to the exclusion or in conjunction with the agreement); or if it does not allow the parties to negotiate or offer an AWA during the term of operation of the agreement.

Table 5 Main provisions in federal collective agreements, January – June 1998

<i>Provision</i>	Agreements	Employees
	%	%
Leave	74.8	90.6
Long service leave	43.2	59.3
Annual leave	49.5	68.0
Sick leave	51.5	66.2
Family/carer's leave	31.5	64.6
Overtime	50.6	65.3
Trade union	52.6	62.1
Contract of employment	69.7	79.8
Part-time	21.6	54.4
Casual	44.2	54.9
Hours of work	47.9	61.8
Labour relations equity	35.2	71.4
EEO	15.8	30.3
Consultative arrangements	71.7	56.2
Superannuation	68.7	62.5
Training arrangements	82.1	84.0
AWAs	13.2	35.7
<i>n</i>	2,511	345,463

Note: Definitions of provisions as in Attachment E, 1997 Report. See also, 1997 Report, Table 3.5, p. 33.

Source: DWRSB, Workplace Agreements Database.

3.3.2 *Main provisions for women*

For most provisions the 1998 data indicate an increase over the 1997 data in the proportion of women covered. For the most part, these increases have been small, but some have been quite significant, including for leave provisions (up 13 percentage points), long service leave (up 21 percentage points), superannuation matters (up 16 percentage points) and AWAs (up 18 percentage points) (see Table 6). By contrast, the incidence of overtime and part-time employment provisions demonstrate falls in 1998 of around 4 percentage points for women compared to the findings of the 1997 Report.

Similar rises in the proportion of men covered are also apparent for most provisions. In general, gender differences are relatively marginal, though for female employees, coverage by long service leave provisions is 71.3% (compared with coverage for male employees of 52.4%), coverage by overtime provisions is 59.3% (compared with 68.9%), coverage by part-time employment provisions is 61.1% (compared with 49.7%) and coverage by superannuation provisions is 70.4% (compared with 60.1%).

Table 6 Main provisions in federal collective agreements for female employees, January – June 1998

<i>Provision</i>	Females	Males	Total
	%	%	%
Leave	92.6	88.4	90.6
Long service leave	71.3	52.4	59.3
Annual leave	65.9	68.5	68.0
Sick leave	66.7	70.6	66.2
Family/carer's leave	71.0	64.7	64.6
Overtime	59.3	68.9	65.3
Trade union	64.4	64.8	62.1
Contract of employment	85.9	78.7	79.8
Part-time	61.1	49.7	54.4
Casual	55.3	56.4	54.9
Hours of work	61.6	63.0	61.8
Labour relations equity	73.7	69.1	71.4
EEO	28.3	33.5	30.3
Consultative arrangements	54.4	59.3	56.2
Superannuation	70.4	60.1	62.5
Training arrangements	81.6	86.7	84.0
AWAs	36.3	30.1	35.7
Number of employees	147,886	172,203	320,089

Note: Definitions of provisions as in Attachment E, 1997 Report. See also, 1997 Report, Table 5.8, p. 73.

Source: DWRSB, Workplace Agreements Database.

3.3.3 *Main provisions for part-time employees*

Similarly to 1997, the 1998 data show a higher incidence of leave provisions in agreements covering part-time employees than for full-time employees, though the difference was more marginal. In 1998 the proportion of all employees covered by agreements with leave provisions was 90.6% compared with 74.1% for 1997. For part-time employees coverage was 91.1%, while for full-time employees it was 89.8% (compared with 81.4% and 73.3% respectively for 1997) (see Table 7).

Other provisions with significant differences between full- and part-time employees were long service leave, overtime and contract of employment provisions.

Table 7 Main provisions in federal collective agreements for part-time employees, January – June 1998

<i>Provision</i>	Part-time %	Full-time %	Total %
Leave	91.1	89.8	90.6
Long service leave	71.0	56.4	59.3
Annual leave	59.0	65.4	68.0
Sick leave	61.5	69.0	66.2
Family/carer's leave	62.9	61.6	64.6
Overtime	47.4	65.2	65.3
Trade union	62.8	57.1	62.1
Contract of employment	88.1	74.7	79.8
Part-time	58.4	46.6	54.4
Casual	54.3	46.4	54.9
Hours of work	57.7	57.7	61.8
Labour relations equity	68.1	71.2	71.4
EEO	21.5	24.1	30.3
Consultative arrangements	50.5	63.2	56.2
Superannuation	68.1	61.0	62.5
Training arrangements	84.4	88.7	84.0
AWAs	32.8	43.5	35.7
Total	43,145	239,499	345,463

Note: Definitions of provisions as in Attachment E, 1997 Report. See also, 1997 Report, Table 5.10, p. 75.

Total includes some employees for whom part-time/full-time status is unknown.

Source: DWRSB, Workplace Agreements Database.

3.3.4 Main provisions for persons from a non-English speaking background

The 1997 data indicated a lower incidence of coverage of the main provisions for persons from non-English speaking backgrounds than for persons from English speaking backgrounds, with a marked difference in the degree of coverage in a number of instances. However this pattern was not continued into 1998.

The differences in three of the provisions – trade union issues, consultative arrangements and training arrangements – are reversed in the 1998 data; and other provisions where a significant difference was observed in 1997 – such as in annual leave, casual work, overtime, hours of work and EEO provisions – provide more equitable outcomes for persons from a non-English speaking background (see Table 8).

For all the main provisions, except EEO, coverage of persons from a non-English speaking background has risen overall in 1998 compared to 1997.

Table 8 Main provisions in federal collective agreements for persons from a non-English speaking background, January – June 1998

<i>Provision</i>	Non-English speaking background %	English speaking background %	Total %
Leave	90.9	91.6	90.6
Long service leave	59.1	63.5	59.3
Annual leave	63.2	62.0	68.0
Sick leave	69.4	66.9	66.2
Family/carer's leave	56.3	66.8	64.6
Overtime	59.8	64.8	65.3
Trade union	65.1	62.4	62.1
Contract of employment	75.9	79.3	79.8
Part-time	40.0	51.2	54.4
Casual	50.6	51.1	54.9
Hours of work	58.5	59.4	61.8
Labour relations equity	66.7	67.3	71.4
EEO	19.8	24.2	30.3
Consultative arrangements	78.3	64.1	56.2
Superannuation	71.2	70.7	62.5
Training arrangements	84.3	82.1	84.0
AWAs	36.8	34.4	35.7
Number of employees	24,417	246,014	345,463

Note: Definitions of provisions as in Attachment E, 1997 Report. See also, 1997 Report, Table 5.12, p. 77.

Total includes some employees for whom ESB/NESB status is unknown.

Source: DWRSB, Workplace Agreements Database

3.3.5 Main provisions for young persons

As found in the 1997 data, young persons covered by a certified agreement made in 1998 were more likely to be covered by agreements containing the main provisions. The exceptions in the 1998 data, where adult employees had higher proportional figures, were long service leave, sick leave, consultative arrangements, labour relations equity issues and provisions relating to AWA matters (see Table 9).

Significant declines in the percentage of young persons covered by provisions have occurred in several areas. The most significant of these are sick leave (decrease of 54 percentage points), family/carers' leave (33 percentage points), hours of work (37 percentage points) and labour relations equity (37 percentage points).

The proportion of young persons covered by training arrangements (the most common provision for young people in 1997) also shows a fall, from over 90% in 1997 to 72.9% for 1998.

Table 9 Main provisions in federal collective agreements for young persons, January – June 1998

Provision	Young %	Adult %	Total %
Leave	98.1	91.6	90.6
Long service leave	54.8	61.5	59.3
Annual leave	52.5	47.3	68.0
Sick leave	26.5	46.0	66.2
Family/carer's leave	49.1	45.8	64.6
Overtime	51.1	38.2	65.3
Trade union	51.6	46.0	62.1
Contract of employment	96.7	79.9	79.8
Part-time	50.7	37.2	54.4
Casual	50.2	34.0	54.9
Hours of work	51.5	40.9	61.8
Labour relations equity	42.7	48.5	71.4
EEO	31.6	18.1	30.3
Consultative arrangements	12.4	36.6	56.2
Superannuation	51.3	46.6	62.5
Training arrangements	72.9	85.8	84.0
AWAs	4.4	22.9	35.7
Number of employees	38,136	277,388	345,463

Note: Definitions of provisions as in Attachment E, 1997 Report. See also, 1997 Report, Table 5.13, p. 79.

Total includes some employees for whom age is unknown.

Source: DWRSB, Workplace Agreements Database.

4. COLLECTIVE AGREEMENTS MADE DIRECTLY WITH EMPLOYEES (NON-UNION AGREEMENTS)

To provide more effective choice and flexibility for parties in reaching agreements, the WR Act provides for several streams of agreement making including collective agreements made directly with employees (section 170LK). This new stream of agreement making has clearly been attractive to employers and employees, in stark contrast to the Enterprise Flexibility Agreements (EFAs) which were introduced in the *Industrial Relations Reform Act 1993* with the intended aim of spreading agreement-making to lightly unionised sectors.

4.1 Spread and coverage of non-union agreements

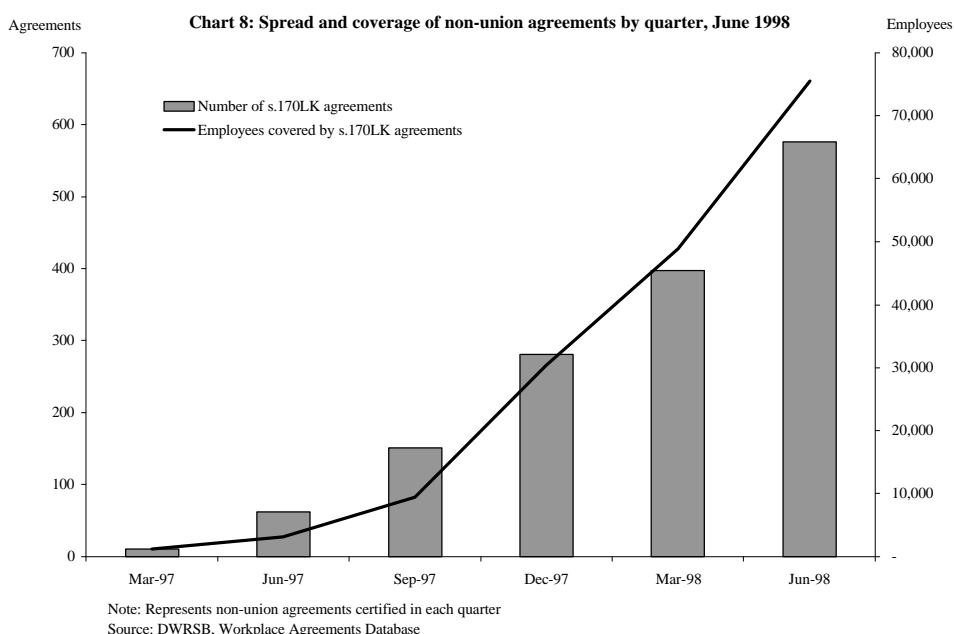
As Chart 8 indicates, the pace of agreement making under s.170LK is accelerating. Only ten s.170LK agreements were made in the March quarter 1997, but more than ten times as many agreements of this type were made in the December quarter 1997.

The pace of agreement making under s.170LK has continued to increase in the first six months of 1998, with 295 agreements covering 45,100 employees certified under this section during this period.

In total, 576 s.170LK agreements had been made at 30 June 1998, covering approximately 75,500 employees.

Non-union agreement-making under the WR Act has been far more effective than agreement-making via EFAs. In the first 12 months of the operation of the WR Act, 281 s.170LK agreements were certified by the AIRC, covering an estimated 30,400 employees. By contrast, only 48 non-union agreements, covering 6,400 employees, had been made in the first 12 months that EFAs were operational. All up, the AIRC certified a total of only 261 EFAs, covering just 23,200 employees.

Section 170LK agreements account for 8.8% of all agreements made under the WR Act, while EFAs accounted for only 2.1% of agreements made under the IR Act.



4.2 Profile of non-union agreements

Table 10 shows the distribution of s.170LK agreements and EFAs, by the size of agreement, sector and industry. The areas where s.170LK agreements have been used have typically been less strongly unionised. Non-union agreements were more prevalent in the private sector, where 9.4% of agreements were made under s.170LK, compared to 5.7% of agreements in the public sector. They are also more often found in other services (15.5%) compared to the more highly unionised industry groups of infrastructure services and government administration (each 5.5%). It is also relevant to note that in 57 cases, unions have agreed to be bound by s.170LK agreements.

Table 10 Section 170LK agreements and EFAs, by size, sector and industry group, June 1998

	Section 170LK		EFAs	
	Number of agreements	% agreements under WR Act	Number of agreements	% agreements under IR Act
<i>Size of agreement</i>				
Less than 20 employees	271	8.9	84	2.5
20 to 99 employees	202	8.8	117	2.3
100 to 499 employees	84	9.1	55	1.8
500 or more employees	19	7.6	5	0.6
<i>Sector</i>				
Private	522	9.4	251	2.5
Public	54	5.7	10	0.4
<i>Industry group</i>				
Infrastructure services	146	5.5	33	0.8
Metals manufacturing	99	11.2	55	2.4
Mining and agriculture	20	9.3	6	2.0
Non-metals manufacturing	79	9.0	76	3.1
Other services	198	15.5	91	4
Public administration	34	5.5	0	0
Total	576	8.8	261	2.1

Notes: Agreements are categorised by Industry group according to ANZSIC Division, as defined by the ABS. The Industry groups are
 'Infrastructure services' - ANZSIC Divisions D, E, I and J (Electricity, gas and water supply; Construction; Transport and storage; Communication services)
 'Metals manufacturing' - ANZSIC Subdivisions 27 and 28.
 'Non-metals manufacturing' - ANZSIC Division C (Manufacturing) excluding 'Metals manufacturing'.
 'Mining and agriculture' - ANZSIC Divisions A (Agriculture, forestry and fishing) and B (Mining).
 'Other services' - ANZSIC Divisions F, G, H, K, L, 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 (Government administration and defence).

Source: DWRSB, Workplace Agreements Database.

5. CONCLUSION

Results from the first part of 1998 show some encouraging developments. In particular there has been a strong growth in the incidence of agreements made directly with employees, within the context of continuing steady increase in the number of collective agreements. There has also been a narrowing of the gender wage gap under agreements and between wage increases for full-time and part-time employees covered by agreements, compared with 1997.

These developments point to the ongoing and growing success of the *Workplace Relations Act 1996* in meeting its objectives with respect to collective agreement-making – providing a framework which supports fair and effective agreement-making and enabling employers and employees to choose the most appropriate form of agreement for their particular circumstances.