

Trends in enterprise bargaining

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MARCH QUARTER 2000

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MARCH QUARTER – KEY FIGURES

	December quarter 99	March quarter 00	Change
Wage agreements in the quarter			
AAWI per employee - All sectors	3.4%	3.4%	0.0 pts
AAWI per employee - Private sector	3.5%	3.6%	0.1 pts
AAWI per employee - Public sector	3.1%	3.1%	0.0 pts
All current wage agreements			
AAWI per employee - All sectors	3.7%	3.6%	-0.1 pts
AAWI per employee - Private sector	3.8%	3.8%	0.0 pts
AAWI per employee - Public sector	3.5%	3.4%	-0.1 pts

Note: AAWI=Average Annualised Wage Increase

MARCH QUARTER – KEY POINTS

- March quarter data from the Workplace Agreements Database shows that there is little evidence of any significant increase in wage outcomes in federal wage agreements.
- Federal wage agreements formalised in the March quarter 2000 paid an average annualised wage increase (AAWI) of 3.4 per cent per employee, unchanged from the December quarter 1999.
- Private sector AAWI rose by 0.1 percentage points from the December quarter to 3.6 per cent, while the public sector AAWI remained unchanged at 3.1 per cent.
- All current federal wage agreements, as at 31 March 2000, paid an AAWI of 3.6 per cent per employee, down 0.1 percentage points from the December quarter. Private sector current wage agreements remained unchanged with an AAWI per employee of 3.8 per cent. In the public sector, the AAWI per employee was 3.4 per cent, down from 3.5 per cent for the December quarter.

Information

Note: This report summarises the latest estimates from the Department of Employment, Workplace Relations and Small Business' Workplace Agreements Database (WAD). All estimates are rounded to one decimal place, and are subject to revision.

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- Next release: The June quarter 2000 *Trends in Enterprise Bargaining* report is scheduled for release in late August.
- Subscribers will note that there is one feature article included in this report—**Evidence on pattern bargaining**.
- Planned topics for articles to appear in future editions of *Trends in Enterprise Bargaining* include:
 - A profile of 170 LK agreements
 - An analysis of expiring agreements

Chart A: All wage agreements

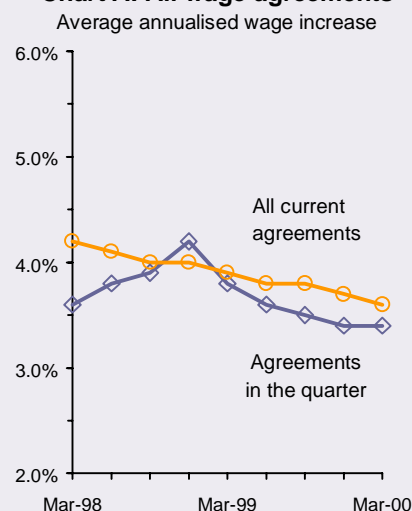
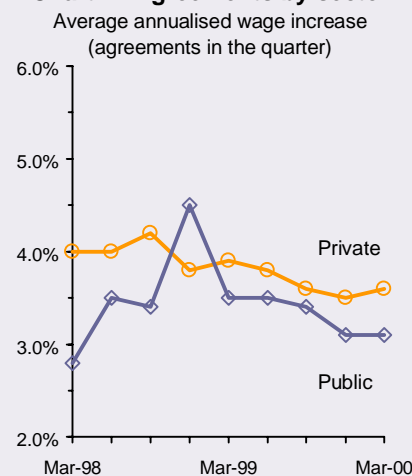


Chart B: Agreements by sector



DEVELOPMENTS IN FEDERAL AGREEMENTS

Pace of agreement making

There were 1 300 federal enterprise agreements, covering an estimated 101 400 employees, formalised by the AIRC and entered on the WAD in the March quarter 2000. This brings the total number of federal agreements formalised by the AIRC from October 1991 to the end of March 2000 to just over 30 900.

There were 1 254 wage agreements certified in the March quarter, covering an estimated 97 700 employees.

Wage agreements with quantifiable wage increases accounted for 72 per cent of agreements and 80 per cent of employees covered by agreements formalised in the March quarter 2000. This compares with revised data for the December quarter 1999 when quantifiable wage agreements accounted for 68 per cent of all agreements and covered 82 per cent of employees. Non-quantifiable wage agreements accounted for 24 per cent of all agreements in the March quarter and covered 17 per cent of employees. The remaining four per cent of agreements were conditions only and these covered four per cent of employees.

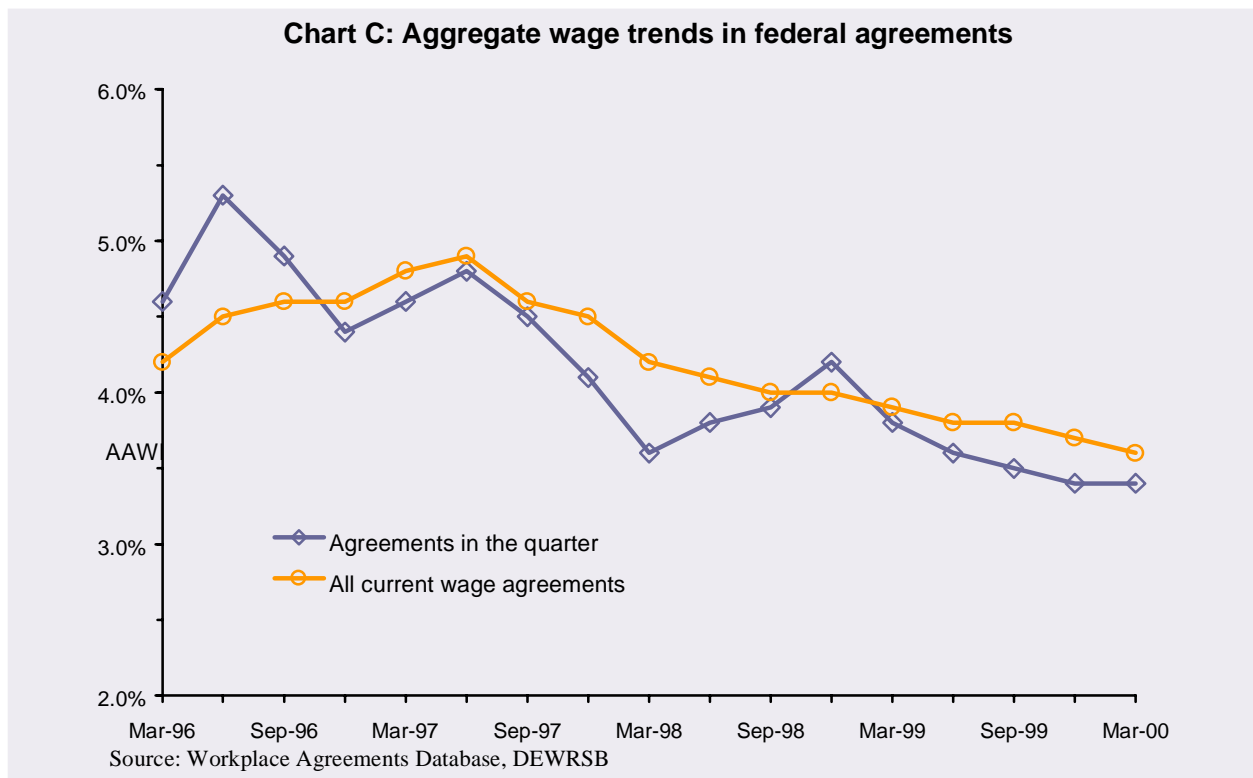
There were at least 8 300 federal wage agreements current at 31 March 2000, covering an estimated 1 419 000 employees.

Average annualised wage increases per employee

Chart C below compares trends over the past four years in the two key wage measures: 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 a quarter. An explanation of how both these estimates are calculated can be found in the Technical Notes.

While the quarterly AAWI series is a useful forward indicator of the average increase paid by *new* federal agreements, just over one per cent of all employees in Australia are covered in the March quarter's figures. By contrast, the 'all current' AAWI estimate covers a much larger group—18 per cent of all employees at the end of March 2000.

For agreements formalised in the March quarter 2000, AAWI was 3.4 per cent per employee, unchanged from the December quarter 1999. For all current federal wage agreements at 31 March 2000, AAWI was 3.6 per cent per employee, down from the previous quarter's outcome of 3.7 per cent. As Chart C shows, the 'in the quarter' series appears to have stabilized after four quarters of decline. The 'all current' series continues its slow downward trend.



TECHNICAL NOTES

The Workplace Agreements Database

The Workplace Agreements Database (WAD) is maintained by the Labour Market Policy Group of the Department of Employment, Workplace Relations and Small Business (DEWRSB). 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 the Enterprise Bargaining Principle in October 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 drawn 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 84 per cent of all new agreements certified in the March quarter. Where employee coverage is not known, a 'modified mean' is used to estimate employee coverage. The modified mean is generated for each industry group by calendar 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.

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 (e.g. 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. For the few agreements whose duration is less than one year, a 12 month duration is assumed when calculating AAWI.

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 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.

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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TABLE A: FEDERAL WAGE AGREEMENTS, BY INDUSTRY AND SECTOR, TO THE MARCH QUARTER 2000.

INDUSTRY/SECTOR	Mar-96	Jun-96	Sep-96	Dec-96	Mar-97	Jun-97	Sep-97	Dec-97	Mar-98	Jun-98	Sep-98	Dec-98	Mar-99	Jun-99	Sep-99	Dec-99	Mar-00
Non-metals manufacturing	192	141	154	237	124	172	204	188	126	184	200	160	151	173	224	219	165
Quarter: AAWI per employee (%)	5.1	4.9	5.1	4.8	4.5	4.8	4.5	4.6	4.5	4.3	3.7	3.8	3.8	4.0	3.5	3.6	3.5
Quarter: Employees ('000)	20.3	17.0	11.2	22.4	12.4	14.6	15.1	13.8	12.9	16.0	18.9	9.3	14.9	12.1	14.5	20.1	12.6
Metals manufacturing	113	175	158	134	95	200	228	155	164	159	272	217	264	194	178	186	138
Quarter: AAWI per employee (%)	5.4	5.4	5.4	5.3	5.0	5.1	4.8	4.9	4.5	4.6	4.4	4.4	4.3	3.7	3.9	4.0	3.8
Quarter: Employees ('000)	9.3	16.0	14.9	15.7	9.4	16.8	25.9	11.1	15.1	15.3	22.5	19.5	17.9	11.1	16.3	18.2	7.4
Infrastructure services	353	332	347	423	483	332	828	596	491	526	1046	1246	811	654	611	680	597
Quarter: AAWI per employee (%)	5.7	4.5	6.1	4.3	6.1	4.8	5.1	5.5	4.5	5.1	4.7	4.1	4.7	3.7	4.1	4.5	3.9
Quarter: Employees ('000)	54.4	51.5	8.9	53.9	12.4	22.2	24.0	51.4	14.0	12.9	36.3	109.1	20.2	74.0	19.7	15.2	22.3
Other services	380	169	237	133	155	153	173	223	218	312	420	408	254	235	359	268	236
Quarter: AAWI per employee (%)	4.0	5.6	5.0	4.4	3.9	4.8	4.3	3.9	3.6	3.8	3.9	3.4	3.3	3.6	3.3	3.2	3.2
Quarter: Employees ('000)	149.3	154.0	109.4	80.2	30.5	67.1	68.3	152.2	66.3	158.2	111.3	77.0	52.3	98.2	54.3	82.2	29.2
Government administration	71	49	95	49	47	76	151	77	86	90	138	85	86	53	87	84	74
Quarter: AAWI per employee (%)	4.9	4.6	4.2	4.2	4.5	4.5	4.0	3.2	2.5	3.2	3.3	5.8	3.8	3.1	3.1	3.0	3.0
Quarter: Employees ('000)	17.2	25.9	23.1	4.5	8.4	14.2	9.5	45.0	23.9	33.0	55.6	39.2	18.1	36.7	12.1	14.6	22.4
PUBLIC SECTOR	290	124	167	84	76	127	189	152	151	151	265	295	167	146	270	178	170
Quarter: AAWI per employee (%)	4.4	4.2	4.0	4.3	4.4	4.8	4.9	4.4	2.8	3.5	3.4	4.5	3.5	3.5	3.4	3.1	3.1
Quarter: Employees ('000)	171.0	106.5	55.7	12.8	18.4	59.7	39.9	112.3	40.0	89.2	93.6	137.5	31.5	147.0	30.6	42.0	39.5
All current: AAWI per employee (%)	4.2	4.3	4.3	4.4	4.7	4.9	4.9	4.7	4.3	4.2	3.8	3.9	3.7	3.6	3.6	3.5	3.4
All current: Employees ('000)	559.5	597.7	582.0	557.3	354.4	384.0	339.4	358.6	345.9	376.3	420.6	478.8	469.7	581.4	479.7	473.5	495.2
PRIVATE SECTOR	849	775	860	921	844	835	1455	1123	964	1160	1859	1871	1431	1210	1235	1289	1084
Quarter: AAWI per employee (%)	5.1	6.1	5.4	4.5	4.6	4.8	4.3	3.9	4.0	4.0	4.2	3.8	3.9	3.8	3.6	3.5	3.6
Quarter: Employees ('000)	82.4	161.7	119.1	167.1	55.7	77.4	106.9	164.8	94.5	148.7	154.1	120.3	93.7	87.0	89.4	110.0	58.2
All current: AAWI per employee (%)	4.2	4.7	4.9	4.8	4.9	4.9	4.5	4.3	4.2	4.1	4.2	4.1	4.1	4.0	4.0	3.8	3.8
All current: Employees ('000)	482.4	600.4	644.3	763.8	704.8	731.1	674.8	759.4	742.7	815.9	776.7	852.0	877.4	909.4	909.5	942.3	923.9
ALL INDUSTRIES	1139	899	1027	1005	920	962	1644	1275	1115	1311	2124	2166	1598	1354	1505	1467	1254
Quarter: AAWI per employee (%)	4.6	5.3	4.9	4.4	4.6	4.8	4.5	4.1	3.6	3.8	3.9	4.2	3.8	3.6	3.5	3.4	3.4
Quarter: Employees ('000)	253.4	268.2	174.7	179.9	74.2	137.0	146.8	277.1	134.5	237.9	247.7	257.8	125.2	234.1	120.1	152.0	97.7
All current: AAWI per employee (%)	4.2	4.5	4.6	4.6	4.8	4.9	4.6	4.5	4.2	4.1	4.0	4.0	3.9	3.8	3.8	3.7	3.6
All current: Employees ('000)	1041.9	1198.1	1226.3	1321.1	1059.2	1115.1	1014.2	1118.0	1088.6	1192.2	1197.3	1330.9	1347	1490.7	1389.2	1415.8	1419.1

Notes: 1. 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.

2. Agreements are categorised by Industry group according to ANZSIC Division, as defined by the ABS. The Industry groups are:

Non-metals manufacturing - ANZSIC Division C (Manufacturing) excluding Metals manufacturing;

Metals manufacturing - ANZSIC Subdivisions 27 and 28;

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 (Government administration and defence);

ANZSIC Divisions A (Agriculture, forestry and fishing) and B (Mining) are not included in the industry groups. They are included in sectoral and all industry totals.

Source: Workplace Agreements Database, DEWRSB, 16 May 2000. All estimates are rounded and are subject to revision. Revisions have been made to historical series.

Trends in enterprise bargaining



INSERT

MARCH QUARTER 2000

ISSN 1442-5432

This insert for *Trends in Enterprise Bargaining* looks at, amongst other things, the effect of major agreements on wages and outcomes by sector and by industry group. In this report the featured article is on evidence on pattern bargaining.

Average annualised wage increases per employee

As previously mentioned, federal wage agreements formalised in the March quarter 2000 paid an average annualised wage increase (AAWI) of 3.4 per cent per employee, unchanged from the December quarter 1999. This was despite a rise in private sector AAWI of one per cent to 3.6 per cent. Public sector AAWI remained unchanged at 3.1 per cent for the quarter.

The effect of major agreements on wage trends

There were 33 large agreements (that is, agreements covering more than 500 employees) approved in the March quarter 2000 compared to a revised figure of 48 large agreements in the previous quarter. These agreements accounted for only 2.5 per cent of all agreements approved in the March quarter, but 47 per cent of employees. This figure is down from the December quarter figures when large agreements accounted for 3 per cent of all agreements and 58 per cent of employees.

In the private sector, the largest wage agreement in the March quarter was the Crown Limited (Melbourne Casino Complex) agreement, covering an estimated 4 100 employees and paying an AAWI of 3.1 per cent. The CGU Insurance Limited agreement and the CSL agreement were the next largest private sector agreements, paying 2.5 per cent and 4.0 per cent to an estimated 2 200 and 1 400 employees, respectively.

In the public sector, the largest wage agreement certified in the March quarter was the Northern Territory Public Sector 2002 agreement which paid an AAWI of 3.4 per cent to an estimated 7 600 employees. This was followed by the State Transit Authority of New South Wales Bus Operations agreement, which paid an AAWI of 3.0 per cent to an estimated 3 300 employees and the Northern Territory Public Sector 2001 agreement, which covered an estimated 3 000 employees and paid an AAWI of 3.0 per cent. The majority of large public sector agreements provided wage outcomes of under 3.1 per cent.

Table 1 provides details of all the large agreements certified in the March quarter, including details of some of the methods of providing wage increases.

Average annualised wage increases per agreement

Federal wage agreements formalised in the March quarter 2000 paid an AAWI *per agreement* of 4.1 per cent, down from the December quarter figure of 4.5 per cent. Private sector wage agreements paid an AAWI of 4.3 per cent per agreement in the March quarter, while public sector wage agreements paid 3.1 per cent per agreement. As noted in our previous reports, we consider that this measure does not provide a very useful indicator of aggregate wage pressures as it assigns equal weight to each enterprise agreement, irrespective of the number of employees they may cover.

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 indexation of wage increases depending on whether the percentage wage increase provided by the agreement is higher than the CPI percentage; or the re-opening of wage negotiations where CPI increases are higher than anticipated. Chart 1 below provides an indication of the historical application, in certified agreements, of these CPI related clauses.

The proportion of all employees covered by wage agreements which provide for CPI related clauses has not changed markedly in the lead-up to the introduction of the GST on 1 July 2000. Of all employees covered by wage agreements formalised in the March quarter 2000, 6 per cent were covered by such an agreement - a similar proportion to the December quarter 1999.

Table 1: Large Agreements Certified in March Quarter 2000		Durati-	Total	AAWI	Emns	Notes
Sector	Title	on	Wage	(%)		
		(yrs)	(%)	(%)		
PRIVATE SECTOR						
Mining & Agriculture	Australian Workers' Union and P Pullar & Co. (Cobram) Pty Ltd CA 2000	*	*	*	800	9
	Australian Workers' Union and R I Comish and Company Pty Ltd CA 2000	*	*	*	718	9
Non-metals Manufacturing	CSL Enterprise Agreement 1999	2.0	8.0	4.0	1355	2, 6, 7
	McCain Foods (Aust) Pty Ltd Enterprise Agreement 1999	1.2	3.8	3.0	590	
	Inghams Enterprises (Victoria) Processing Agreement 2000	2.0	6.0	3.0	550	
Metals Manufacturing	Capral Aluminium Ltd (Redundancy) Enterprise Agreement 2000	*	*	*	1218	8
	BTR Automotive - Drivetrain Systems Fairfield Standards Implementation Certified Agreement 1999	2.0	9.0	4.5	605	10
Infrastructure Services	ETSA Utilities Enterprise Bargaining Agreement 1999	2.0	8.0	4.0	1052	1
	Eastern Energy Ltd Enterprise Agreement 1999	2.2	11.0	5.0	534	
Other Services	Crown Limited (Melbourne Casino Complex) Enterprise Agreement 2000	3.0	9.3	3.1	4141	11
	CGU Insurance Limited Enterprise Agreement 2000-2002	2.0	5.0	2.5	2211	2, 4, 10
	Medibank Private Agreement 1999 - Foundations for a Competitive Future	1.1	5.0	4.4	1200	2, 3, 12
	Food and Beverage Industry - McDonald's - ACT - Certified Agreement 1998	1.0	2.3	2.3	1116	
	Tabcorp - ASU Telephone Betting Enterprise Agreement 1999	2.2	9.0	4.1	719	
	Tabcorp / National Union of Workers Enterprise Agreement 1999	2.0	8.0	4.0	700	
	RACGP Staff Agreement (1999-2000)	2.5	6.5	2.6	502	
Total Large Private Sector Agreements		1.9	7.0	3.6	18011	
PUBLIC SECTOR						
Infrastructure Services	State Transit Authority of New South Wales Bus Operations Agreement 1999	2.0	6.0	3.0	3291	
	Freight Rail Corporation Enterprise Agreement 1999	1.4	5.0	3.6	2277	2
	National Rail Corporation Enterprise Agreement No. 4 (1999)	2.3	6.0	2.7	1000	
	1999 Pawa Enterprise Agreement Working Together to Meet the Challenge	2.9	10.0	3.4	660	5
Government Administration	Northern Territory Public Sector 2002 Certified Agreement	3.0	10.0	3.4	7604	
	Northern Territory Public Sector 2001 Certified Agreement	2.0	6.0	3.0	3000	
	Inswich City Council Certified Enterprise Agreement 1998	1.6	3.9	2.4	1184	
	Melbourne City Council Enterprise Agreement 1999	1.0	5.0	5.0	896	1, 3
	Commonwealth Department of Transport and Regional Services CA 1999-2001	2.2	5.0	2.3	797	1
	Department of Education & Community Services School-Based Staff CA 1999 - 2002	3.1	5.0	1.6	721	
	Department of Education & Community Services Staff - Central Office CA 1999 - 2002	3.1	5.0	1.6	533	
Townsville City Council Enterprise Bargaining Agreement No. 3 (2000)	2.1	4.0	1.9	500	3	
Other Services	University of Sydney (Academic and Teaching Staff) Enterprise Agreement 1999/2002	3.6	14.0	3.9	2338	3, 11
	University of New South Wales (Academic Staff) Enterprise Agreement 2000	4.2	12.5	3.0	2170	11
	University of Newcastle (General Staff) Enterprise Agreement 2000	3.0	12.1	4.0	1338	
	Canberra Hospital (Clerical, Technical, Professional and General Services Officers) Agreement 1999-2002	2.9	3.6	1.2	842	
	Western Australian Fire Services Certified Agreement 2000	2.0	6.0	3.0	800	
Total Large Public Sector Agreements		2.5	7.0	2.9	29951	
Total Large Agreements		2.2	7.0	3.2	47962	

Source: Workplace Agreements Database, DEWR/SB

Notes: 1. Part or all of the wage increase is awarded on meeting defined targets

2. Individual performance assessed and remunerated

3. One-off bonus

4. Performance pay 'pool' in place.

5. Broad band classification structure to be introduced

6. Employee share ownership scheme in place

7. Profit or gain-sharing scheme in place.

8. Conditions only agreement - No wage provisions

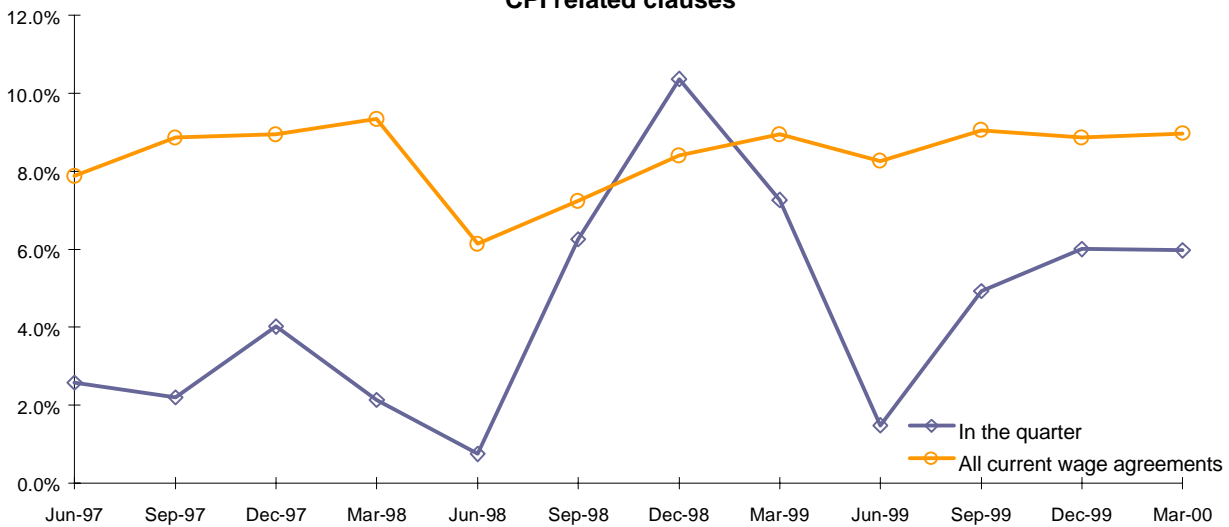
9. Increases in accordance with the award. Agreement not quantified.

10. Introduction of skills based classification system

11. Annualised salary structure used

12. Individuals and teams rewarded for performance - rewards are non-monetary

Chart 1: Proportion of employees covered by wage agreements with CPI related clauses



Note: There have been slight revisions to the historical series.
Source: Workplace Agreements Database, DEWRSB

While the proportion of employees covered by agreements with any of the CPI related clauses outlined in paragraph one, has been stable, the actual number of agreements has risen: of agreements certified in the March quarter 2000, 140 have been identified with CPI clauses. This compares with a total of 78 agreements in the December quarter 1999, 70 in the September quarter 1999, 54 in the June quarter 1999 and 113 agreements in the March quarter 1999.

Mindful that only some 6 percent of all employees are covered by CPI related clauses, it is the case that such clauses are more common in particular industries. Thus, for agreements certified in the March quarter 2000, 64 per cent of the agreements containing CPI clauses (covering 42 per cent of all employees covered by such clauses in the quarter) were from the construction industry and a further 16 per cent (covering 19 per cent of employees covered by such clauses) from manufacturing. Since the introduction of the WR Act, these industries, together with transport and storage, are where CPI related clauses are most commonly found.

However, a detailed examination reveals that, of the 140 CPI related clauses that have been provided in agreements in the March quarter, less than 10 per cent have clauses which allow for full indexation. A further 50 per cent of the agreements provide for a partial indexation, while approximately 40 per cent refer only to the possibility of re-opening negotiations on wage increases where CPI increases are higher than anticipated.

WAGE TRENDS BY SECTOR

Private sector wage trends

At least 1 080 federal private sector wage agreements, covering an estimated 58 200 employees, were formalised by the AIRC in the March quarter 2000. This represents a decline of 47 per cent in the level of employee coverage in the private sector as compared with the December quarter. The main reason for such a decline is that there were four very large private sector agreements certified in the December quarter (covering around 35 460 employees) and private sector agreements certified in the March quarter are much smaller in terms of employee coverage. On average, private sector agreements certified in the March quarter paid an average annualised wage increase of 3.6 per cent per employee, up 0.1 percentage points from the December quarter.

There was a broad range of bargaining wage outcomes in the private sector in the March quarter, particularly among the large agreements. In addition to the several large agreements mentioned previously, moderate outcomes were provided by the Food and Beverage Industry–McDonald’s–Australian Capital Territory agreement which paid an AAWI of 2.3 per cent to an estimated 1 100 employees and the RACGP staff agreement which paid an estimated 500 employees an AAWI of 2.6 per cent. These outcomes contrast with above average wage outcomes in the Eastern Energy Limited agreement, which paid an AAWI of 5.0 per cent to an estimated 500 employees, and the BTR Automotive – Drivetrain Systems Fairfield Standards Implementation agreement, which paid an AAWI of 4.5 per cent to an estimated 600 employees.

The AAWI for all private sector agreements current at 31 March 2000 was 3.8 per cent per employee, unchanged from the December quarter result.

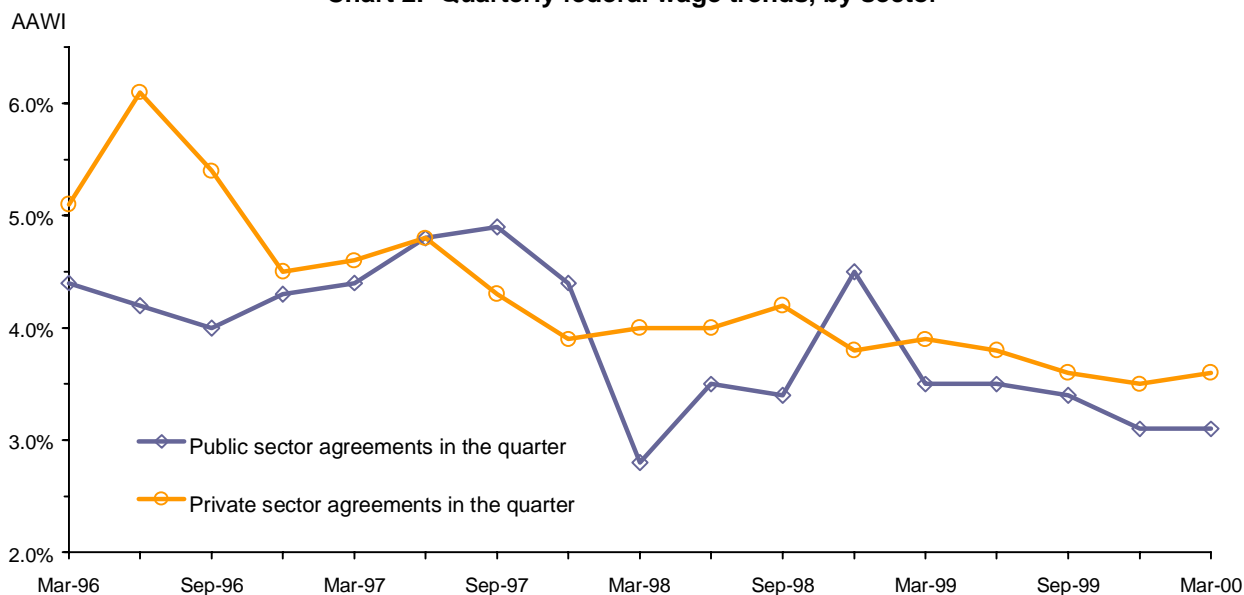
Public sector wage trends

In the March quarter 2000, there were at least 170 federal public sector wage agreements, covering an estimated 39 500 employees, formalised by the AIRC. These agreements paid an average annualised wage increase of 3.1 per cent per employee, unchanged from the previous quarter's result.

Apart from the three largest public sector agreements mentioned previously, other large public sector agreements certified in the March quarter were the University of Sydney (Academic and Teaching Staff) agreement and the Freight Rail Corporation agreement which paid AAWIs of 3.9 per cent and 3.6 per cent respectively to an estimated 2 300 employees for both agreements.

For all federal public sector wage agreements current at 31 March 2000, the AAWI per employee was 3.4 per cent, down 0.1 percentage points from the previous quarter.

Chart 2: Quarterly federal wage trends, by sector



Source: Workplace Agreements Database, DEWRSB

WAGE TRENDS IN KEY INDUSTRIES

Table A (see final page) shows quarterly movements in average annualised wage outcomes for the five main industry groups since the March quarter 1996.

As can be seen from Table A, the AAWIs per employee mainly declined in each of the five industry groups when compared with the previous quarter's results. Infrastructure services again recorded the largest movement this quarter with the AAWI falling 0.6 percentage points. Government administration and other services industries remained unchanged while metals manufacturing and non-metals manufacturing fell only slightly.

Infrastructure services

Average wage outcomes in this broad industry group in the March quarter measured 3.9 per cent per employee, down from 4.5 per cent in the December quarter. The number of wage agreements formalised in the quarter fell in the March quarter while employee coverage increased. The March quarter saw 597 wage agreements certified covering an estimated 22 300 employees, while in the December quarter 680 wage agreements were certified covering an estimated 15 200 employees.

Average wage outcomes within the industries comprising this broad industry group were varied when compared with the previous quarter. Wage outcomes ranged from: 3.1 per cent for transport and storage (down considerably from the 4.0 per cent AAWI recorded in the previous quarter); 4.0 per cent for electricity, gas and water supply (up from 3.9 per cent); 4.8 per cent for construction (down from 5.0 per cent the previous quarter). The communication services industry recorded no agreements for this quarter.

Government administration

The AAWI per employee in government administration remained unchanged at 3.0 per cent for the March quarter. The number of wage agreements formalised in this industry fell from 84 in the December quarter to 74 in the March quarter, although the number of employees covered rose to an estimated 22 400.

Other services

In other services, the AAWI per employee remained unchanged at 3.2 per cent in the March quarter. Within this industry group the major AAWI movements were in the finance and insurance and personal and other services industries, which fell by 1.1 per cent in the March quarter to 3.2 per cent and 2.9 per cent respectively. The number of wage agreements formalised in this broad industry group declined from 268 agreements in the December quarter to 236 agreements in the March quarter, while employees covered decreased from an estimated 82 200 in the December quarter to 29 200 in the March quarter.

Metals manufacturing

The number of wage agreements formalised in this industry group decreased from 186 agreements, covering an estimated 18 200 employees in the December quarter, to 138 agreements, covering an estimated 7 400 employees in the March quarter. The metals manufacturing wage agreements formalised in the March quarter paid an AAWI of 3.8 per cent per employee, down from the December quarter AAWI of 4.0 per cent per employee.

Non-metals manufacturing

The non-metals manufacturing wage agreements for the March quarter paid an AAWI of 3.5 per cent per employee, down 0.1 percentage points from the December quarter result. The number of wage agreements formalised in the quarter fell from 219 in the December quarter to 165 in the March quarter, with a fall in employee coverage from an estimated 20 100 employees to an estimated 12 600 employees.

EVIDENCE FROM THE WORKPLACE AGREEMENTS DATABASE ON PATTERN BARGAINING

‘Pattern bargaining’ occurs where a party negotiating an agreement seeks pre-determined outcomes across a number of enterprises or workplaces, usually within the same industry. The Workplace Agreements Database (WAD) collates information on a particular form of pattern bargaining where groups of agreements are identified as identical in the wage increases and conditions they provide, and this article will analyse the prevalence of such patterns by industry and/or by union. Pattern bargaining in agreement making may also be indicated by the pursuit of common expiry dates for multiple agreements within particular industries. The adoption of common expiry dates allows for the co-ordination of protected industrial action in the negotiation of subsequent agreements.

The following analysis is based on agreements certified from January 1 1998 to December 31 1999. WAD data on identical pattern agreements is most reliable from the beginning of 1998 when this information began to be collated.

Coding Methodology

All federal certified agreements are coded for the WAD. In industries such as construction and manufacturing some agreements are readily identifiable as ‘identical’ in the provisions they provide. Where a sequence of identical agreements is apparent a ‘pattern’ is formally identified and given an identifying code. A pattern may be composed of anywhere from a few to several hundred agreements.

It should be noted, however, that the unit of analysis for identical patterns is individual agreements and not particular enterprises; hence individual employers or organisations may have a number of identical agreements aimed at covering

employees at different workplaces which form part, or all, of a ‘pattern’. Within the construction industry a ‘pattern’ may also be linked to a particular site or project where each subcontracting enterprise has an identical agreement covering their employees.

Pattern agreements and industry

The WAD has collated data on agreements which appear to have identical wage and conditions provisions. Within the reporting period, January 1998 to December 1999, 33 distinct patterns covering 3 453 agreements with an estimated coverage of over 47 000 employees were identified. These agreements constitute 26 per cent of all agreements certified in the period and approximately 3 per cent of the employees covered by these agreements. Pattern agreements which are identical are typically concentrated in particular industries. For example, pattern agreements in the construction industry (as shown in Table 2 below) constitute 84 per cent of all the pattern agreements identified and cover 57 per cent of all employees in pattern agreements.

Table 2 below shows the full extent to which pattern arrangements have penetrated the construction industry where 2 890 agreements covering 26 779 employees are identified as pattern agreements certified in the reporting period. Twenty-five separate patterns are represented by this group, the most significant being a Victorian Construction pattern which has over 1 700 workplaces (covering more than 14 000 employees) signed up to identical agreements. Of all the agreements certified in the reporting period within the construction industry, 61 per cent are in identified patterns covering 43 per cent of construction industry employees.

Within the manufacturing (both metals and non-metals manufacturing) industry, 185 agreements covering 7 907 employees are identified as pattern agreements. However, these agreements represent less than 7 per cent of all manufacturing agreements certified in the reporting period and cover approximately 3 per cent of manufacturing employees.

It should also be noted that a ‘pattern’ may in some instances cover enterprises in different industries, particularly where the pattern is designed to cover all employees on a particular worksite or project. For example, some of the 92 pattern agreements representing the electricity, gas and water supply industry in Table 2 are related to patterns for construction sites or projects where electrical subcontracting is required.

Other patterns are designed to cover all employees within a particular trade and/or state. Within construction, for instance, the types of work covered by different patterns include: steelfixing; scaffolding; crane operations; plumbing; and demolition. Other patterns are based on the State in which the enterprise operates and so with only minor differences there may be one pattern for NSW on-site construction workers and another for Victorian on-site construction workers.

Table 2: Industry distribution of identified pattern agreements, 1998-1999

Industry	Number of agreements	Number of identified patterns ^[1]	Number of employees covered ^[2]
Mining	11	5	700
Manufacturing	185	12	7 907
Electricity, Gas and Water Supply	92	10	888
Construction	2 890	25	26 779
Wholesale Trade	3	2	54
Retail Trade	37	4	768
Transport and Storage	85	4	2 666
Communication Services	4	1	25
Property and Business Services	13	6	529
Government Administration and Defence	4	3	449
Health and Community Services	85	4	3 193
Cultural and Recreational Services	30	3	2 647
Personal and Other Services	13	5	463
Totals	3 453		47 070

Source: DEWRSB, Workplace Agreements Database.

Pattern agreements and unions

Table 3 identifies the CFMEU as the main union involved in negotiating pattern agreements, with involvement in 64 per cent of all agreements identified as pattern agreements certified in the reporting period. Other unions significant in pattern bargaining, as identified in Table 3, include the CEPU, AFMEPKIU and the AWU.

Table 3: Distribution of pattern agreements by union, 1998-1999

Union	Number of agreements [3]	Proportion of all pattern agreements %
AMWU/AFMEPKIU	345	10
ASU	47	1
AWU	190	6
CEPU	803	23
CFMEU	2 194	64
HSUA	40	1
TWU	79	2
MEAA	30	1

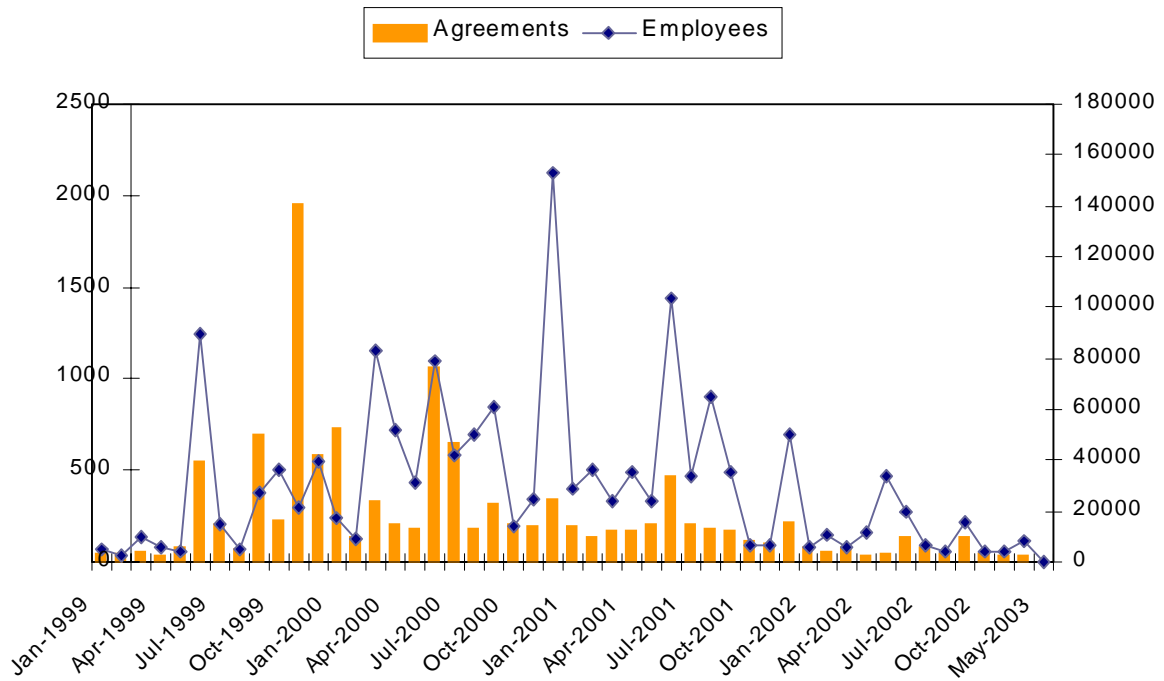
Source: DEWRSB, *Workplace Agreements Database*.

Common expiry dates

A particular strategy associated with pattern bargaining is the adoption of common expiry dates for related agreements. This allows for the co-ordination of protected industrial action in the negotiation of subsequent agreements under the current legislation and is a feature of 'Campaign 2000' in the Victorian manufacturing industry. A significant number of Victorian companies have signed agreements that expire on 30 June 2000. Chart 3 plots the expiry dates, by month, of all agreements certified throughout the reporting period.

Common expiry dates are clearly evident and major pattern bargaining campaigns can be tracked. The AMWU 'Campaign 2000' is clearly demonstrated by the peaks in expiring agreements, and employees covered, in June 2000 and June 2001. Other common expiry dates evident in Chart 3 include June 1999 where almost 300 agreements for enterprises in the health and community services industry expired. These agreements are linked to the HSUA and primarily cover nurses employed in Victoria. It appears that the enterprises, with the HSUA, have now begun entering into new agreements, again with a common expiry date, this time at the end of June 2002 (as at March 2000, 47 such agreements have been certified, all replacing agreements which expired in June 1999). Just over 500 agreements from the construction industry, linked to the CFMEU, both in Victoria and NSW, expired in September 1999 and a further 1 800 from Victoria expired in November 1999 (including the identical pattern agreement identified above). In January 2000, over 400 agreements from the construction industry and linked to the CEPU expired and a further 200 expire in July 2000. Also expiring in July 2000 are over 300 agreements from the manufacturing industry .

Chart 3: Expiry dates of agreements certified in 1998 and 1999



Source: DEWRSB, Workplace Agreements Database

[1] A single pattern may cover more than one industry and the total number of identified patterns within the reporting period is 33.

[2] As a number of pattern agreements are greenfields (section 170LL) agreements, where employee numbers are not known, estimates have been used based on average industry employee coverage.

[3] Agreements are often linked to more than one union, proportions are based on the total number of pattern agreements, 3 453.