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Topic 5

**AUSTRALIAN DATA SOURCES FOR MEASURING INDUSTRIAL
RELATIONS ASPECTS**

Supporting paper submitted by the Australian Bureau of Statistics

INTRODUCTION

1. This paper discusses some key data sources in use in Australia for analysing and evaluating industrial relations issues such as enterprise bargaining, industrial disputes and trade union membership. It also refers to some of the bargaining processes and procedures underpinned by legislation in Australia.

BARGAINING

2. Over the past decade, industrial relations processes and procedures have undergone substantial change with a move from centralised to decentralised wage bargaining.

3. Pay and employment conditions have in the past been mainly set by awards, sometimes supplemented by industrial agreements negotiated by trade unions and employers or employer organisations. Awards are legally enforceable documents which set the minimum wage that must be paid to employees covered by the relevant award. Awards also provide a range of minimum conditions of employment such as leave entitlements, flextime, overtime hours etc. These terms of employment are generally certified by an industrial tribunal following agreement reached independently, or following conciliation or arbitration. Awards can be made by the relevant Federal or State jurisdictional industrial tribunal.

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4. Over the past decade, however, there has been a significant move away from award-based, centralised wage fixing towards agreement at enterprise, workplace and individual employee level. This has been characterised by significant changes in the legislative and the economic environment relevant to workplace relations. Today, employers and employees who reach agreement on pay and condition of employment can apply to an industrial tribunal to make those agreements legally enforceable under State/Federal industrial relations legislation, but outside the award legislative system. So long as the agreements reached meet certain legislative criteria, they are registered/certified by industrial tribunals and are legally enforceable.

5. With the increasing decentralisation of wage determination, users' data requirements have changed to reflect a need for statistics on:

- . number of employees covered by awards, registered agreements and informal arrangements; number of employees solely reliant on awards; and number of employees with agreements which reference an award;
- . wage outcomes (i.e wage rates and wage increases) by awards, registered agreements and informal arrangements;
- . characteristics of employees covered by awards, registered agreements and informal arrangements, including sex, age, full-time or part-time status, permanent or casual status, trade union membership, industry, occupation, and size of employer; and
- . changes in conditions of employment resulting from enterprise and individual bargaining (such as work time arrangements, training and skills development, and leave arrangements).

Data Sources

6. At present, only a small number of employer surveys have been conducted by government departments to provide comprehensive information on the changes in industrial relations in Australia. This largely reflects the complexity of the subject matter, the lack of appropriate business records, and the cost involved (resources and respondent load) in collecting reliable data on a regular basis. Whilst a number of surveys have been conducted by private sector organisations, these are normally of a small scale with a specific focus, and not necessarily comparable with other data sources. Some of the key data sources available in Australia are discussed below.

Australian Workplace Industrial Relations Survey

7. In 1995-96, the Department of Industrial Relations (DIR) conducted the Australian Workplace Industrial Relations Survey (AWIRS95). This was a follow-up survey to the Australian Workplace Industrial Relations Survey (AWIRS90) conducted by the Department in 1989-90.

8. As indicated in DIR's 1995 annual report on enterprise bargaining ², the AWIRS95 had similar objectives to AWIRS90:

- . to provide a comprehensive and statistically reliable database on Australian workplace industrial relations;
 - . to stimulate and inform debate on workplace industrial relations issues;
 - . to inform government industrial relations policy development; and
 - . to ultimately help the parties involved in industrial relations improve economic performance through the deployment of more effective workplace practices.
9. AWIRS95 had the additional aims:
- . to assess changes that had taken place in workplace industrial relations since AWIRS90;
 - . to assess the direction of workplace reform and evaluate the impact of a range of industrial relations issues and labour market policies; and
 - . to meet the annual reporting requirements under the Industrial Relations Act.
10. AWIRS95 was a complex survey involving a combination of face-to-face interviews and self completion questionnaires. The survey comprised four separate workplace samples:
- . the main sample comprised 2,001 workplaces with 20 or more employees, covering all industries across Australia with the exception of those primarily involved in Agriculture, forestry and fishing (ANZSIC Division A) and Defence (ANZSIC sub-division 82).
 - . the second workplace sample consisted of a sample of 30,005 employees selected randomly from the main sample of workplaces, resulting in 19,023 useable responses. This survey was conducted by a self completion questionnaire individually addressed and provided to employees at the workplace.
 - . the third workplace sample consisted of a sample of managers at 1,075 workplaces with between 5 and 19 employees. This survey was conducted by telephone with a senior manager at the workplace.
 - . the final workplace sample consisted of a panel of approximately 700 workplaces from the AWIRS90 sample. The questionnaires used in this survey mirrored those used in the main sample.
11. Results from AWIRS95 provided a comprehensive picture of industrial relations in Australia and related issues, including
- (i) workplace characteristics (such as employment size, employment status, sex, industry, sector, organisational status, occupational details, ownership status),
 - (ii) product market conditions (such as market demand for products and services, workplace capacity utilisation, import and export competition),
 - (iii) workplace industrial relations measures (such as voluntary labour turnover, labour stability, absenteeism, dismissals, downsizing, incidences of industrial disputation, and job satisfaction),
 - (iv) management processes and practices (such as employee relations, decision making processes, performance evaluation, labour productivity, communication, recruitment, training, equal employment opportunities, occupation health and safety issues),
 - (v) union membership and the roles of unions at the workplace,

- (vi) the role of awards, agreements and other industrial instruments used in setting pay and conditions of employment,
- (vii) organisational changes (such as major new office technology, major new plant, machinery and equipment, major reorganisation of workplace structure),
- (viii) the structure of employee lives and satisfaction (such as working hours, wages, conditions of work, consultation, job satisfaction), and
- (ix) small business (between 5 and 19 employees) issues relating to management, workplace efficiency, pay conditions, role of unions etc).

Award and Agreement Coverage Survey (1999)

12. The Award and Agreement Coverage Survey (AACS) was a small national survey conducted by the Department of Employment, Workplace Relations and Small Business (formerly DIR) in 1999. It was designed to provide up-to-date and accurate information at the Australian level of the number of:

- . employees paid exactly the award rate;
- . employees paid overaward rate or by unregistered agreement;
- . employees covered by registered collective agreements; and
- . employees paid by other arrangements (including individual registered agreements).

13. The ABS provided assistance in the preparation of the survey. It provided the sample for the survey from the ABS Business Register, provided statistical expertise in helping the Department of Employment, Workplace Relations and Small Business (DEWRSB) design the questionnaire, and were also involved in processing the data. The list of businesses supplied to DEWRSB contained names and address of the selected business, a broad indicator of their employment size (5-19, 20-99 or 100 or more), as well as industry (at the 1 digit ANZSIC level) and sector (public or private).

14. The AACS included over 600 businesses with 5 or more employees covering all industries across Australia with the exception of those primarily involved in Agriculture, forestry and fishing (ANZSIC Division A) and Defence (ANZSIC sub-division 82). The survey was conducted over a 2 to 3 month period through the use of a mail questionnaire.

15. Key results from survey indicate that:

- . 22% of Australia's wage and salary earners have their wages set through the Award system and are dependent on 'Safety Net' adjustments for wage increases (i.e adjustments to wages via awards);
- . 22% of Australia's wage and salary earners have their wages set through overaward and unregistered agreements;
- . 42% of Australia's wage and salary earners have their wages set through registered collective agreements; and
- . 14% of Australia's wage and salary earners have their wages set through individual arrangements and other means.

16. In addition to the above, this survey also produced results on:
- . the distribution of employees by award/agreement and employment status (full-time and part-time);
 - . Average weekly earnings by award/agreements, and the distribution of award reliant employees by weekly pay; and
 - . the incidence of wage increase in the year prior to 30 June 1999 and sources for wage increases (for example, 'safety net' adjustment, another type of award increase, an increase in overaward or unregistered agreement pay, a registered collective agreement increase, a change in the individual arrangement, annual (or six monthly) salary review).
17. As the prime purpose of this survey was to use the results as input into the February 2000 National Wage Case hearing before the Australian Industrial Relations Commission, DEWRSB do not intend to release the survey results in a separate publication. However, selected results from the survey can be obtained by contacting the Department.

Employee Earnings and Hours Survey

18. The ABS also recognised there were major gaps in the availability of data to enable users to assess the spread and impact of enterprise and individual bargaining under the various bargaining methods currently used in setting pay. An evaluation study conducted by the ABS concluded that the best avenue for addressing user requirements in the short term was by direct collection from employers, through the inclusion of relevant questions on how employees' pay is set in the May 2000 Employee Earnings and Hours survey (EEH). This survey collects data on approximately 60,000 employees from approximately 7,000 employers.
19. Appropriate questions have been developed and extensively tested. These questions will enable data to be collected on whether an employee's pay is set by: an award; a registered collective agreement, classified by jurisdiction; a registered individual agreement, by jurisdiction; or an informal (individual or collective) arrangement. For employees whose pay is set by an award, it will also identify whether they are paid exactly the award rate of pay, or receive more than the award rate. This information, along with the wage level and employee characteristic data already collected in EEH, will address most of the key data requirements referred to above.
20. The May 2000 EEH Survey will enable the ABS to provide statistics on:
- . employee coverage for awards (in particular, those paid at exactly the award rate);
 - . employee coverage of registered agreements by type of agreement (i.e. collective and individual) and by jurisdiction (i.e. by registration body);
 - . employee coverage of informal arrangements, by type of arrangement (i.e. collective and individual); and
 - . employee coverage for interrelationships between awards, registered agreements and informal arrangements (i.e. data for employees covered by more than one industrial instrument; the different combinations of industrial instruments; and continued reliance on the award system).

21. As well as providing statistics on employee coverage for awards, agreements and informal arrangements, EEH will be able to meet a number of other priority data requirements including statistics on:

- . average weekly earnings and distribution of earnings, classified by awards, registered agreements and informal arrangements;
- . coverage and average weekly earnings in respect of employee characteristics (including sex, permanent/temporary/casual, full-time/part-time, occupation, paid hours, industry, sector, and employment size of employer), classified by awards, registered agreements and informal arrangements.

22. Preliminary results from this survey are to be published in Employee Earnings and Hours, Australia, Preliminary (Cat. No. 6305.0) to be released in late November 2000. Final results will be released in Employee Earnings and Hours, Australia (Cat. No. 6306.0) around March 2001.

INDUSTRIAL DISPUTATION

23. As discussed above, the make up of industrial arrangements in Australia has undergone substantial change over the past decade. The processes involved in setting pay and condition of employment have passed through a number of phases, with a corresponding impact on the levels of industrial disputation in Australia.

24. Whilst there are a number of data sources on industrial disputation, the most regular and up-to-date data source is the monthly Industrial Disputes collection conducted by the ABS. The methodology is different from most other ABS collections. The collection is intended to be a census of all industrial disputes which cause a loss of 10 or more working days at locations where the stoppages occurred. Disputes are identified from media reports, court listings, trade unions, reports of government authorities and other sources. Employers (public and private) and some trade unions are also contacted to obtain the required data.

25. This survey collects statistical information on a range of disputes, including strikes and lockouts. However, no separate details on the different types of disputes is available for release.

26. A recent review of the industrial disputes collection examined the need for separately identifying strikes and lockouts. The review concluded that the incidence of lockouts is relatively low in Australia, and it is therefore not worthwhile separately recording strikes and lockouts. In addition, whilst the incidence of other forms of labour action such as bans, go slows and work to rule appear to be on the increase, such forms of disputes will continue to be excluded from the Industrial Disputes collection as they are inherently difficult to identify and measure, and accurate records are not kept by employers.

27. Under legislation governing the enterprise bargaining process, parties may, by giving the required notice, initiate a 'protected bargaining period' which allows protected industrial action during a period of workplace/enterprise bargaining if it meets certain legislative requirements. During this period the parties can take 'protective action' such as strike or a lockout to support their negotiation claims. Protective action which takes place outside these negotiation periods or

does not meet industrial relations legislative requirements is considered illegal. Thus, a key industrial relations issue is whether the introduction of a limited right to take part in industrial action has led to an increase in industrial disputation. However, this type of information is currently not available from the industrial disputes collection.

28. Following a recent review of the collection, however, the ABS will be undertaking a series of enhancements to the collection in order that statistics on disputation better relate to the current industrial relations environment. For example, the ABS is considering options for better addressing the 'cause of dispute' classification so that disputes arising directly from enterprise/workplace bargaining are separately identified.

29. Statistics currently released from this collection include working days lost and working days lost per thousand employees classified by State, industry, duration of dispute, cause of dispute and method of settlement. The results are released through a monthly publication Industrial Disputes, Australia (Cat No. 6321.0).

TRADE UNIONS

30. Statistics on trade union membership are obtained from a supplementary survey to the labour force survey conducted in August each year. The scope of the survey is the same as for the Labour Force Survey, except it is restricted to employees (except those who worked solely for payment in kind).

31. A survey conducted in August 1999 showed 26% of employees aged 15 and over were trade union members in their main job. This reflects the steady decline in trade union membership from 46% in 1986.

32. Results from the survey on trade union membership are published in Employee Earnings, Benefits and Trade Union Membership, Australia (Cat. No. 6310.0. The publication publishes information on level of trade union membership cross classified by demographics such as Sector (public or private), State, sex, age, birthplace; and by labour force characteristics such as industry and occupation of main job, permanent or casual employee, full-time /part-time status.

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4. Hawke, Anne., Wooden, Mark., The 1995 Workplace Industrial Relations Survey, The Australian Economic Review, Volume 30, No. 3, pp 323-8.
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Glossary of Terms

Awards: the awards system was introduced to Australia in the late 1800s to prevent and settle disputes arising between employers and employees who could not reach agreement on terms of employment. Under the awards system, the interests of employees can only be represented by trade unions. Awards are collective (i.e. they relate to groups of employees and may be specific to an industry, occupation or enterprise, or may have a common rule effect).

Federal jurisdiction: covers Victoria, Northern Territory and Australian Capital Territory. In other States some employees are covered by federal jurisdiction.

Industrial tribunal: refers to the industrial relations commissions under State and Federal jurisdictions.

Unregistered agreement: is an agreement reached between an employer and its employee(s) or their representatives on terms of employment outside the award system and which are not subsequently certified by an industrial tribunal.

Registered agreement: is an agreement reached between an employer and its employee(s) or their representatives on terms of employment (wages and conditions of employment) which are subsequently certified by an industrial tribunal.

Safety net adjustments: Wage increases granted to lower paid employees who do not generally receive wage increases through the enterprise/workplace bargaining process. A 'safety net' review of wages is normally conducted by the Australian Industrial Relations Commission (Federal jurisdiction) each year. Any wage increases awarded to Federal awards normally flow-on to awards under State jurisdictions.

State jurisdictions: covers the States of New South Wales, Queensland, South Australia, Western Australia and Tasmania.

Sector: Public sector includes the general government sector, all resident public non-financial corporations and all resident financial corporations as defined in SESCA 1998 (ABS Cat. No. 1218.0). The private sector comprises all organisations not classified as public sector.
