



Research Report 6/2013

Award reliance

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December 2013

The contents of this paper are the responsibility of the author and the research has been conducted without the involvement of members of the Fair Work Commission.

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All research undertaken or commissioned by the Fair Work Commission for the Annual Wage Review 2013–2014 has been agreed by the Research Group. The Research Group comprises a Chair from the Workplace and Economic Research Section, Tribunal Services Branch of the Fair Work Commission, and representatives nominated by:

- Australian Chamber of Commerce and Industry (ACCI);
- Australian Industry Group (Ai Group);
- Australian Council of Social Service (ACOSS);
- Australian Council of Trade Unions (ACTU);
- Australian Government; and
- state and territory governments.

This paper is the work of Sally Wright and John Buchanan of the Workplace Research Centre, University of Sydney Business School.

A draft of this paper was workshopped with the Research Group prior to finalisation. The authors would also like to thank the Research Group for its comments.

The contents of this research paper remain the responsibility of the authors, Sally Wright and John Buchanan.

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Professor John Buchanan
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December 2013

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Abbreviations list and glossary

ABS	Australian Bureau of Statistics
Annual Wage Review	From July each year, the Fair Work Commission conducts the Annual Wage Review. This involves conducting a review of minimum wage rates where the Panel may set or vary minimum wages in modern awards, and must make a national minimum wage order.
ANZSCO	Australian and New Zealand Standard Classification of Occupations 2006
ANZSIC	Australian and New Zealand Standard Industrial Classification 2006
Apprentice	A person undertaking an Australian Apprenticeship that combines training and employment and which can lead to a nationally recognised trade qualification. Apprentices usually get paid a percentage of what a qualified tradesperson would get paid. For example, someone in the second year of a 4-year apprenticeship may get paid 70 per cent of a qualified tradesperson's wage.
Award	An award is an enforceable document containing minimum terms and conditions of employment in addition to any legislated minimum terms. In general, an award applies to employees in a particular industry or occupation and is used as the benchmark for assessing enterprise agreements before approval. The Fair Work Commission has responsibility for making and varying awards in the national workplace relations system.
Award-reliant employee	An employee who has their pay set according to the relevant award rate specified for their classification and not above that relevant rate.
Award-based pay-setting arrangement	An award-based pay setting arrangement is one where the rate of pay an employee receives is set, influenced or guided in some way by the applicable rate of pay in the award. Award-based pay setting arrangements include award rates and agreements to pay over award rates of pay.
Award rate of pay	The applicable rate of pay specified in the classification structure of the award.

Award-reliant organisation	Those organisations with employees that are award-reliant only, meaning that their pay is set according to the relevant award rate specified for the classification of the employee and not set above that relevant rate.
BOOT	Better Off Overall Test is a test that the Fair Work Commission uses to assess enterprise agreements against modern awards. An enterprise agreement will pass this test where the Fair Work Commission is satisfied that each employee that would be covered by the agreement would be “better off overall” if the agreement applied to them, rather than the relevant modern award. Individual flexibility arrangements under modern awards and enterprise agreements must also satisfy the test. The BOOT will compare the terms of a proposed enterprise agreement against the relevant modern award to make sure employees will be better off overall. The BOOT replaced the No Disadvantage Test.
C10	The entry level classification for trades qualified employees in the <i>Manufacturing and Associated Industries and Occupations Award 2010</i> . It, and its predecessor (the metal fitter and machinist classification), has been the benchmark classification for setting award relativities in Australia for nearly a century. In the Award Reliance Survey, the C10 classification was used as the benchmark for higher classifications, where award-reliant employees who were paid at or above the C10 rate were defined as higher classification and those award-reliant employees who were paid less than the C10 rate were defined as lower classification.
Casual employee	Casual employees are usually employed by the hour or by the day. They do not get paid sick leave or annual leave. To make up for this they get extra pay called a casual loading. Casual workers are less likely to have regular or guaranteed hours of work.
Casual loading	Casual loading is an amount paid on top of the base rate of pay to casual employees. The purpose of a casual loading is to compensate casual employees for not getting certain entitlements that permanent employees receive, such as paid annual leave and personal (sick) leave. Most modern awards have a casual loading of 25 per cent.
CATI	Computer-assisted telephone interview.

Classification	A classification of employees into types for the purposes of pay and other entitlements under an industrial instrument (such as a modern award or enterprise agreement). A classification outlines the type of work an employee does and sometimes their expected skill level or required qualifications. Different classifications apply to employees doing different work. Classification structures are included in all modern awards.
Commission	Fair Work Commission
EEH	Employee Earnings and Hours
Enterprise award	An enterprise award is a type of pre-reform award (made by the Australian Industrial Relations Commission before 27 March 2006) that applies to one business, activity, project or undertaking. Enterprise awards are not replaced by modern awards but the parties can apply to the Fair Work Commission to replace an enterprise award with a modern enterprise award. If the parties do not make an application to 'modernise' their enterprise award by 31 December 2013, it will cease to operate.
Fair Work Act	<i>Fair Work Act 2009</i> (Cth)
Full-time	Ordinary paid work of 35 or more hours per week.
Higher classification	Award classification with a basic hourly rate of more than \$18.58 (benchmarked to C10). This was rounded to \$18.60 when presented to survey respondents in questions regarding pay ranges. The equivalent casual rate was \$23.25 per hour, the equivalent weekly rate was around \$707.00 and the equivalent annual rate was more than \$36 720.
Individual arrangement	An individual arrangement is where an employee has their pay set by an individual contract, registered individual agreement, common law contract or an individual agreement to receive over award payments.
ITEA	Individual transitional employment agreement is a statutory written agreement between an individual employee and an employer about the employee's terms and conditions of employment. Australian workplace agreements (AWAs) could not be made after 28 March 2008. From then until up to 31 December 2009 ITEAs could be made. ITEAs have a nominal expiry date of 31 December 2009 (or earlier if specified in the

	<p>agreement). ITEAs are now individual agreement based transitional instruments.</p>
Junior	<p>A junior employee under the <i>Fair Work Act 2009</i> (Cth) is a national system employee who is under 21 years of age. This term is defined in section 12 of the <i>Fair Work Act 2009</i> (Cth).</p>
Lower classification	<p>Award classification with a paid a basic hourly rate of less than \$18.60 per hour (or equivalent) (benchmarked to below C10).</p>
Metropolitan	<p>Organisation with majority of workforce located in a capital city.</p>
Modern award	<p>Modern awards operate together with the National Employment Standards (NES) to provide minimum conditions of employment for employers and employees in the 'national system'. Modern awards supplement the NES by setting out additional minimum terms and conditions that apply in a particular industry or occupation including monetary entitlements such as wages, penalty rates and allowances. Modern awards consolidated and replaced terms and conditions of employment that were previously contained in certain federal instruments (e.g. pre-reform awards and NAPSAs). Modern awards also include minimum wage entitlements that were previously contained in the Australian Fair Pay and Conditions Standard (e.g. pay scales and the federal minimum wage). Modern awards commenced operation on 1 January 2010.</p>
Minimum wage adjustment	<p>Any adjustment to minimum wages received by employees in the national workplace system as a result of the Annual Wage Review. Any adjustments take effect on 1 July each year.</p>
National system	<p>From 1 January 2010, state referrals of workplace relations powers from NSW, QLD, SA and TAS to the Commonwealth created a national workplace relations system which includes all private sector employment, other than employment by non-constitutional corporations in Western Australia. All employment in VIC, the NT and the ACT was already under the national workplace relations system. Employers and employees, other than in WA, that were previously covered by state workplace relations systems because the employer is not a constitutional corporation are covered by the national workplace relations system</p>

	established by the <i>Fair Work Act 2009</i> (Cth). As part of the changes, some public sector and local government employment previously under the national system is now covered by the state systems.
NES	National Employment Standards
Organisation	Non-public sector businesses and organisations in the national system.
ORC	ORC International, the fieldwork company for the Award reliance project.
Panel	Expert Panel of the Fair Work Commission, formerly Minimum Wage Panel of the Fair Work Commission, formerly Minimum Wage Panel of Fair Work Australia.
Part-time	Ordinary paid work of less than 35 hours per week.
Pay-setting arrangement	Method of setting pay for employees.
Permanent employee	An employee with an ongoing or open-ended contract of employment.
Professional classification	A higher classification where tertiary/university level qualifications (excluding vocational education and training qualifications) or highly specialised knowledge or skills is integral to the classification.
Professional employee	An employee in a professional classification.
Project	The Award reliance research project
Regional/rural	Organisation with majority of workforce located outside capital cities.
Registered collective agreement	A registered collective agreement is an agreement made between one or more employers and a group of employees or a union representing a group of employees. It sets out the terms and conditions of employment. This type of collective agreement is lodged with and approved by the Fair Work Commission.
Trainee	A person who is employed under a training arrangement. A trainee must be registered to be paid trainee wages. Trainee wages are usually based on the training course the person is doing, when the person finished secondary school and the highest year of school they completed.

Training arrangement	A training arrangement is a combination of work and training that is subject to a training agreement or a training contract between the employee and the employer that takes effect under a state or territory law relating to training employees.
Transitional wage instrument	While modern awards contain minimum wages, some modern awards have transitional arrangements in place, under which the wage-related components may be phased in over five years.
Unregistered collective agreement	An unregistered collective agreement is an agreement made between one or more employers and a group of employees or a union representing a group of employees. It sets out the terms and conditions of employment. This type of collective agreement has not been lodged with or approved by the Fair Work Commission.
WRC	Workplace Research Centre, University of Sydney Business School

Executive Summary

The centralised establishment of minimum wages and the role of awards in determining the wages of employees across an industry or occupation have long been central features of Australia's wage-fixing system. One key change has been the greater prominence given to bargaining (most recently under the *Fair Work Act 2009* (Cth) (Fair Work Act)) at an enterprise level. The federal tribunal responsible for the role of national wage-fixing has undergone a number of major changes including the rationalisation and modernisation of awards to apply nationally, that is, across former federal and state jurisdictions.

In the Annual Wage Review 2009–10,¹ the then Minimum Wage Panel noted the need for research into the composition of the award-reliant workforce. The Minimum Wage Panel recognised that an understanding of award reliance is essential to the minimum-wage setting process, stating in its decision for the Annual Wage Review 2009–10² that to inform future reviews it was seeking research to explore the extent and composition of the award-reliant sector.

This project on award reliance was conducted to examine these issues. It was undertaken by the Workplace Research Centre, University of Sydney Business School (WRC) in collaboration with fieldwork company ORC International (ORC) on behalf of the Fair Work Commission. It was supplemented by two other projects, one of which considered incentives to enterprise bargaining among a range of industries in Australia, and the other being a qualitative study of professionals and other employees on higher award classifications. The focus of the Award Reliance Survey was to quantitatively investigate award reliance across and within Australian organisations, and to identify the mix or 'categories' of award-reliant employees and their location on award classification scales.

The project had two main objectives. The first was to identify the incidence of award reliance across all non-public sector organisations and employees at the organisational level. The second was to identify the nature of award reliance across all non-public sector award-reliant organisations (i.e. organisations paying at least one employee exactly the award rate) in order to:

- identify award-reliant employees, and professional and other award-reliant employees on higher award classifications (including the characteristics of these employees);
- investigate explanatory variables for award reliance in professional and other higher classification award-reliant employees; and
- explore explanatory variables for award reliance at the organisation level.

Research design

Information was collected from a computer-assisted telephone interview (CATI) and an online survey with employers. There are two main terms used to describe award reliance throughout the report. Award-reliant employees were those employees whose applicable instrument was a minimum wage instrument (specifically, a modern award) and whose wages were directly determined by the instrument for their base rate of pay. While the definition for award-reliant employees is consistent with the award-only category featured in the Australian Bureau of Statistics (ABS) Employee Earnings and Hours (EEH) 2012 Survey, the approach used to collect data on pay-setting arrangements differs from the approach used in the ABS EEH 2012 Survey. In particular, in the Award reliance project data was initially gathered on four main pay setting categories (registered enterprise agreements,

¹ *Annual Wage Review 2009–10* decision, [2010] FWAFB 4000 (3 June 2010).

² *Annual Wage Review 2009–10* decision, [2010] FWAFB 4000 (3 June 2010).

unregistered enterprise agreements, award-based arrangements and individual arrangements). Secondly, while the ABS EEH Survey makes reference to the industrial arrangement by which the 'main part' of an employee's pay was set, the Award Reliance Survey referred, more broadly, to how an employee's pay was set. Perhaps more significant, the sample for the Award reliance project was restricted to non-public sector organisations in the national system, In comparison, the sample for the ABS EEH Survey is drawn from all employees in Australia. Additionally, respondent organisations for the Award reliance project were asked to report on pay-setting arrangements for all of their employees whereas the ABS EEH Survey asks organisations to draw a random sample of employees from their payroll. For these reasons, it is not possible to directly compare the estimates of award-reliance in the Award reliance project with those estimates published in the ABS EEH Survey. Award-reliant organisations were those non-public sector organisations that employed at least one award-reliant employee. Relevantly, there is no comparable equivalent data collected on award-reliant organisations in the ABS EEH 2012 Survey.

To promote consistency, the definition of higher classification award-reliant employees draws on the same convention used by Maltman and Dunn³ where such employees are defined as those whose pay was set above the C10 rate in the *Manufacturing and Associated Industries and Occupations Award 2010*. It was not possible to directly identify award-reliant professional employees through the Award Reliance Survey. Instead, a subset of higher classification award-reliant employees was created comprising higher classification award-reliant employees who were covered by modern awards that contained professional classifications, where professional classifications comprised those in positions requiring tertiary/university level qualifications (excluding vocational education and training qualifications) or highly specialised knowledge or skills.

Data were collected on the three most common methods of pay-setting arrangements (enterprise agreements, awards and individual arrangements). To try to resolve the potential overlap between the pay-setting arrangements, questions in the CATI survey were ordered to seek information on enterprise agreements first, followed by awards, and then individual arrangements.

The sample design and screening questions for the CATI questionnaire were designed to recruit non-public sector organisations covered by the national workplace relations system. Employees were deemed to be under federal or state workplace relations jurisdictions for pay-setting purposes based on the legal status of their employer. The sample design for the Award Reliance Survey used the Dun and Bradstreet database of registered businesses and was based on 28 survey strata defined according to industry and employment size. The sample sizes for these strata were defined in terms of quotas for award-reliant organisations in each strata. Oversampling occurred in the five industries which, according to the Australian Bureau of Statistics' (ABS) Employee Earnings and Hours (EEH) 2012 Survey,⁴ account for the largest proportion of award-reliant employees.

Award reliance in organisations

Based on the survey sample, 52 per cent of non-public sector organisations based, in some way, the pay of at least one of their employees on awards. Just under half of these (25 per cent of all non-public sector organisations) had at least one employee paid at the exact rate of pay as specified in the relevant award. This latter group constituted what are referred to throughout this report as 'award-reliant' organisations.

³ Maltman K and Dunn A (2013), *Higher classification/professional employee award reliance qualitative research: Consolidated report*, Research Report No. 1/2013, Fair Work Commission, Melbourne.

⁴ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

Award reliance was found to be high among larger non-public sector organisations. It was found that in 50 per cent of award-reliant organisations, more than three-quarters of employees were award-reliant. Most award-reliant organisations used only one award (71 per cent). Larger organisations were more likely to use more than one award. The types of employees that were typically paid award rates by organisations differed, with particular lower skilled occupational groups, apprentices and those employed on a casual basis the most common categories. Around 30 per cent of award-reliant organisations paid annual wage review increases to over-award employees. The most common reason cited for organisations that pay above the award rate were to reward performance, achievement or effort.

Business characteristics analysed in this report showed that most non-public sector award-reliant organisations had operated for more than five years and had reported a profit or surplus in the 2011–12 financial year. A majority of award-reliant organisations reported working outside standard operating hours. Around 30 per cent of award-reliant organisations reported that between 25 per cent and less than 50 per cent of their operating expenses comprised labour costs, across all degrees of award reliance. Across organisations that had more than one-quarter of their workforce award-reliant, over half reported that their workforce had stayed the same compared with the same time last year. For businesses that had less than one-quarter of their workforce award-reliant, a higher proportion reported that their workforce had increased. Although a majority of award-reliant organisations reported that there was an adequate supply of labour (i.e. 70 per cent), this was particularly high for organisations that had more than three-quarters of their workforce award-reliant (i.e. 75 per cent of such organisations). Note that the findings on business metrics and their association with award reliance must be treated with caution, as the data did not enable comparison with the situation in non award-reliant organisations. Also, it was unclear whether the characteristics noted above are linked to award reliance or other factors such as industry and size characteristics.

Characteristics of award-reliant employees

While 40 per cent of employees in non-public sector organisations had their pay based on awards in some way, 19 per cent of employees in the surveyed sample were award-reliant, i.e. had their pay set at exactly the award rate. Such award-reliant employees comprised a higher proportion in Accommodation and food services, Administrative and support services, Retail trade and Arts and recreation services workforces. Just over one-third (36 per cent) of employees were employed in award-reliant organisations. Of all employees in award-reliant organisations, 51 per cent were found to be award-reliant. Award-reliant employees comprised a higher proportion of employees in award-reliant organisations in Accommodation and food services and Administrative and support services. Adult award-reliant employees were more likely to be female, employed on a casual basis and working part-time hours. Most adult award-reliant employees were receiving an hourly wage of less than \$18.60.

Professional and other award-reliant employees on higher classifications

In its *Annual Wage Review 2010–11* decision, the Panel stated that available data suggest that many award-reliant employees have their wages set at award rates higher up the classification scales. The flat dollar form of wage increases in recent times has compressed wages higher up the wage classifications compared with the minimum wage. To address the Panel's interest in wage relativities for award classifications higher up the scales, the Award Reliance Survey gathered detailed information on the incidence and characteristics of professional and other award-reliant employees on higher classifications.

One-quarter (25 per cent) of adult award-reliant employees in non-public sector organisations were found to be on rates of pay greater than \$18.60 per hour (or the equivalent of \$36 720 per annum). Of these higher classification employees, the two industries with the highest proportion of higher classification award-reliant employees were Education and training (74 per cent in higher classifications) and Health care and social assistance (68 per cent in higher classifications). The proportion of higher classification award-reliant employees was also higher among employees working in micro organisations and in organisations based in regional/rural locations. Adult award-reliant employees in awards with professional classifications were relatively more likely to be female and employed on a permanent basis.

Conclusion

The Australian workplace relations system has been through some large scale changes over the last 30 years. This report provides important new information that reveals that modern awards are used as the basis for setting rates of pay for far more employees than just low-wage employees on minimum rates. In addition, the use of modern awards to guide pay-setting decisions is not narrowly confined to just the award-reliant organisations and their employees. This was clear with the 36 per cent of organisations that were not award-reliant that referred to pay rates in awards, despite not paying any of their employees at exactly the award rate. It was also clear in award-reliant organisations, 30 per cent passed on the most recent annual wage review increase to their over-award employees.

The authors of this report suggest that a matter worthy of further exploration is the extent to which the higher level classifications in awards are utilised. While the award system has an extensive set of graduated classifications designed to underpin career paths, it would seem that there is significant clustering in the lower reaches of classification structures. How jobs are classified and how workers are allocated to particular levels in awards is a topic that has, to date, received very little attention.

The final set of observations from the authors concerns how pay-setting arrangements in modern awards currently operate in organisations across the labour market. This report finds clustering of a limited number of awards around particular parts of the labour market or workforce. While a limited number of awards were used to set the pay of most award-reliant workers, a more diverse group of modern awards were used to set the pay of sub-minimum wage employees. This diversity is associated with the range of work undertaken by sub-minimum wage employees or the type of workers paid sub-minimum rates.

The authors of this report suggest that awards merit recognition as they remain one of the main wage-setting instruments used in Australia. Modern awards have been updated to reflect changing circumstances in the Australian labour market and, as a result, awards continue to have relevance to a large number of organisations and employees—not just those who rely on awards to determine exact rates of pay. Further investigation as to the extent to which modern awards both reflect and help define job structures is warranted.

1 Introduction

The centralised establishment of minimum wages and the role of awards in determining the wages of employees across an industry or occupation have long been central features of Australia's wage fixing system. Over the past three decades, however, the national workplace relations system has been subject to considerable change. There have been a number of significant amendments to legislation governing workplace relations, including a shift in the legislative base away from the conciliation and arbitration power (s.51xxxv) to the corporations power (s.51xx) of the Australian Constitution and the expansion of national system coverage. Another key change has been the greater prominence given to bargaining (most recently under the *Fair Work Act 2009* (Cth) (Fair Work Act)) at an enterprise level. The federal tribunal responsible for the role of national wage-fixing has undergone a number of major changes, including the rationalisation and modernisation of awards to apply nationally, that is, across former federal and state jurisdictions.

There has been longstanding interest in the impact and role of awards in wage determination.⁵ The new changes to the wage-fixing system raise new questions about the role of awards and minimum wages in Australia, and the relationship between them and other wage-setting arrangements, including enterprise agreements. Under the Fair Work Act, the Expert Panel (Panel, formerly the Minimum Wage Panel) of the Fair Work Commission (Commission, formerly Fair Work Australia) is required to conduct annual wage reviews, during which it may set, vary or revoke the minimum wages contained in one or more modern awards.⁶ The Panel must also make a national minimum wage order that sets specific wages for employees not covered by an award or agreement.⁷ In conducting its review, the Panel is required to establish and maintain a safety net of fair minimum wages in accordance with minimum wages objectives, outlined in s.284 of the Fair Work Act.⁸

In the Annual Wage Review 2009–10, the Panel noted the need for research into the composition of the award-reliant workforce.⁹ The Panel recognised that an understanding of award reliance is essential to the minimum-wage setting process, stating in its decision for the Annual Wage Review 2009–10 that to inform future reviews it was seeking research 'directed to a more precise identification of the extent and composition of the award-reliant sector'.¹⁰

The Panel subsequently outlined in its research program for the Annual Wage Review 2010–11 (reconfirmed in its Annual Wage Review 2011–12 and Annual Wage Review 2012–13 research program statements¹¹) that it wanted research to be undertaken into award reliance covering a number of topics:

A number of gaps have been identified in the understanding of award-reliant employers and employees. There are limitations in identifying award-reliant employers and employees in all major data sources. The Panel is interested in alternative data sources that may shed light on award reliance.

Specific research undertaken on award reliance will endeavour to:

⁵ A very useful reflection on and synthesis of decades of research on this issue is provided in Hancock K and Richardson S (2004), 'Economic and Social Effects' in Joe Isaac and Stuart Macintyre, *The New Province For Law & Order: 100 Years of Australian Industrial Conciliation and Arbitration*, Cambridge University Press, Cambridge, pp. 139–206.

⁶ *Fair Work Act 2009* (Cth), s.285(2)(b); see also s.284(3) and s.284(4).

⁷ *Fair Work Act 2009* (Cth), s.294(1)(a), s.294(1)(b) and s.294(4).

⁸ *Fair Work Act 2009* (Cth), s.284(1) and s.284(2).

⁹ *Annual Wage Review 2009–10* decision, [2010] FWA 4000 (3 June 2010), at para. 428.

¹⁰ *Annual Wage Review 2009–10* decision [2010] FWA 4000 (3 June 2010), at para. 319.

¹¹ *Annual Wage Review 2011–12* statement [2011] FWA 7916 (22 November 2011); Fair Work Australia, *Annual Wage Review 2012–13* statement [2012] FWA 9095 (25 October 2012).

- clarify who are the professional, award-reliant employees and other award-reliant employees employed on the higher award classifications and ascertain the extent of award reliance in those groups,
- investigate award reliance at the firm level—for example, what mix of employees within a firm are award-reliant and whether people at award-reliant firms are employed across the full range of classifications or are concentrated at particular classifications.

It is anticipated that a greater understanding of the nature of award reliance will, among other things, contribute to a better understanding of the differences in the impact of flat dollar minimum wage increases and percentage minimum wage increases.¹²

This project on award reliance was conducted to examine these issues. It was undertaken by the Workplace Research Centre, University of Sydney Business School (WRC) in collaboration with fieldwork company ORC International (ORC) on behalf of the Commission. It was supplemented by two other projects, one of which considered incentives to enterprise bargaining among a range of industries in Australia,¹³ and the other being a qualitative study of professionals and other employees on higher award classifications.¹⁴

The focus of the Award Reliance Survey was to quantitatively investigate award reliance across and within Australian workplaces, and to identify the mix or ‘categories’ of award-reliant employees and their location on award classification scales. The approach of undertaking the survey at the enterprise level was an important mechanism to provide this data given the lack of firm level data available by pay-setting arrangement. The project consists of a detailed examination of employment arrangements based on a sample of 11 534 organisations (of which 4270 were award-reliant and 7264 were not award-reliant).

The research also examined wage-setting practices of employers and reasons why employees were paid award rates. A particular focus was to identify professional and other award-reliant employees at higher classifications in order to gain a better understanding of these employees and, where possible, their location among award classifications.

In accordance with the parameters set by the Panel in its research program, the project had two main objectives. The first was to identify the incidence of award reliance across all non-public sector organisations and employees at the organisational level covered by the national workplace relations system.

The second was to identify the nature and extent of award reliance in organisations paying at least one employee exactly the award rate in order to:

- identify award-reliant employees, and professional and other award-reliant employees on higher award classifications (including the characteristics of these employees);
- investigate explanatory variables for award reliance among professional and other higher classification award-reliant employees; and
- explore explanatory variables for award reliance at the organisation level.

This report is structured as follows. Chapter 2 outlines the research design, the definitions of key terms that were used to guide analysis, the sampling methodology and data collection techniques.

¹² *Annual Wage Review 2010–11* statement, [2010] FWA 7546 (1 October 2010).

¹³ Buchanan J et al. (2013), *Minimum wages and their role in the process and incentive to bargain*, Research Report 7/2013, December, Fair Work Commission, Melbourne.

¹⁴ Maltman K and Dunn A (2013), *Higher classification/professional employee award reliance qualitative research: Consolidated report*, Research Report No. 1/2013, Fair Work Commission, Melbourne, p. 72.

Chapter 3 and Chapter 4 provide details on the core findings from the study. For ease of understanding, statistics on award reliance are reported separately for organisations (Chapter 3) and employees (Chapter 4).

Chapter 3 presents the findings on award reliance for non-public sector organisations. It covers such issues as what proportion of organisations are award-reliant and, in those organisations that are award-reliant, what their characteristics are in terms of organisation size, industry and location. This chapter also examines the reasons why award-reliant organisations have at least one employee whose pay is set exactly at the award rate.

Chapter 4 presents the findings on award reliance for employees in non-public sector organisations. This chapter deals with issues such as what proportion of employees are award-reliant and, of those employees who are award-reliant, what their characteristics are. Particular attention was paid to award reliance among employees working in industries with high levels of award reliance and to groups of employees known to be more likely to rely on award rates of pay such as juniors, apprentices, trainees and those working under the supported wage system.

Chapter 5 presents findings on award reliance for non-public sector organisations employing workers at higher award classifications, including those with employees in professional classifications. The chapter explores the characteristics of organisations that employ workers at higher award classifications and their reasons for doing so. It also examines the characteristics of employees who have their pay set at higher award classification rates.

Chapter 6 provides a summary and conclusion.

Appendices to the report contain further information and data.

2 Research Design

Chapter 2 presents an overview of the research design used to collect information on the incidence and nature of award-reliant organisations and their employees. Section 2.1 summarises the methods used to collect these data. Section 2.2 defines the terms used throughout this report. Section 2.3 presents an overview of the survey sample and Section 2.4 discusses limitations of the research design.

2.1 Data collection methodology

This research project examines the use and relevance of award wages and minimum wage adjustments made by the Commission across a sample of non-public sector organisations covered by the national workplace relations system. Information was collected by means of a Computer-Assisted Telephone Interview (CATI) survey and an online survey with employers.

The survey completed using the CATI questionnaire gathered summary information on pay-setting arrangements across all non-public sector organisations, and identified organisations paying at least one employee at the exact applicable modern award rate.

More detailed information on the award classifications used to set pay for award-reliant employees, as well as disaggregated employment information by gender, hours worked and employment status, was collected in two separate ways.¹⁵

- *Organisations that used one modern award and employed fewer than 20 employees* provided this information by continuing the original CATI questionnaire.
- *All other organisations* were administered an online survey that they could complete after the CATI questionnaire.

2.2 Definitions

The following section discusses the definitions used throughout this report and how organisations and employees were classified by pay-setting arrangements, including awards.

2.2.1 Defining award reliance

There are two main terms used to describe award reliance among organisations. These are 'award-reliant employees' and 'award-reliant organisations'.

2.2.1.1 Award-reliant employees

As prescribed in the Fair Work Act, the Expert Panel for annual wage reviews may adjust minimum wages in modern awards and transitional instruments, and the national minimum wage order, from the previous annual wage review.¹⁶ The research in this report therefore focused on employees whose applicable instrument was a minimum wage instrument (specifically, a modern award) and whose wages were directly determined by the instrument for the base rate of pay. These employees are defined in this report as award-reliant employees and receive no payments over the amount in the

¹⁵ There were other characteristics of award-reliant employees that may have been of interest, such as age, tenure or educational qualification. Due to the potential burden on respondents and given the research was focussed on the organisation level, it was not possible to collect data for characteristics in addition to gender, hours worked and employment status.

¹⁶ For further information visit the Fair Work Commission website at <http://www.fwc.gov.au/index.cfm?pagename=minabout>

applicable minimum wage instrument.¹⁷ This definition is consistent with the award-only category featured in the Australian Bureau of Statistics' (ABS) Employee Earnings and Hours (EEH) 2012 Survey.¹⁸

As a result, the definition of award-reliant employees for this survey included:

- employees who had their pay set by transitional minimum wage arrangements in modern awards;
- employees on individual arrangements but whose pay was set at exactly the applicable modern award rate;
- employees who had their pay set by a non-registered enterprise agreement but who were paid at the exact applicable modern award rate; and
- juniors, apprentices, trainees and employees under the supported wage system whose pay rate was set under the terms of the award as a proportion of the applicable rate in the modern award wage schedule.

Excluded from the definition of award-reliant employees were:

- employees who had some or all of their conditions of employment set by an award, but were paid an amount 'over' or 'above' the applicable modern award rate; and
- employees who had their pay set by a registered enterprise agreement—even if it was the same as the modern award rate.

It is not possible to directly compare the estimates of award-reliance in the Award reliance project with those estimates published in the ABS EEH 2012 Survey. While the definition for award-reliant employees is consistent with the award-only category featured in the ABS EEH 2012 Survey, the approach used to collect data on pay-setting arrangements differs from the approach used in the ABS EEH 2012 Survey. The differences in methodology are set out in section 2.2.3.

2.2.1.2 Award-reliant organisations

An award-reliant organisation was defined as an organisation that employed at least one award-reliant employee. Conversely, an organisation that did not have any award-reliant employees was defined as not award-reliant. Relevantly, there is no comparable equivalent data collected on award-reliant organisations in the ABS EEH 2012 Survey.

2.2.2 Defining higher classification (including professional) award-reliant employees

To promote consistency, the definition of higher classification award-reliant employees draws on the conventions used by Maltman and Dunn¹⁹ where the key reference point is the C10 classification in

¹⁷ A useful summary of the research on award reliance is provided by Healy J et al. (2011), *Research Framework and Data Collection Strategy*, Research Report No. 4/2011, January, Fair Work Australia, Melbourne, pp. 26–29. Detailed longitudinal case studies of workplaces with at least one award-reliant employee are reported in Evesson J et al. (2010) *Enterprise Case Studies: Effects of minimum wage setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne. Useful material on definitional matters and qualitative insights into higher classification award-reliant employees is provided in Maltman K and Dunn A (2012), *Higher classification/professional employee award reliance qualitative research: Interim report*, Research Report No. 4/2012, February, Fair Work Australia, Melbourne.

¹⁸ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

¹⁹ Maltman K and Dunn A (2013), *Higher classification/professional employee award reliance qualitative research: Consolidated report*, Research Report No. 1/2013, Fair Work Commission, Melbourne, p. 4.

the *Manufacturing and Associated Industries and Occupations Award 2010*. The qualitative nature of that study enabled Maltman and Dunn to investigate a wide array of factors that lead to award reliance at higher classifications, and the impact of award reliance at higher classifications. In defining higher classifications, they drew on a number of sources including the Fair Work Act, annual wage review decisions, materials from the award modernisation process, modern awards and other data.²⁰

The conduct of a large scale survey requires that a more limited range of sources and indicators are used to categorise employees as 'higher' or 'professionally' classified. For the purpose of this study, a higher classification award-reliant employee was defined as any non-public sector employee whose pay was set above the C10 rate in the *Manufacturing and Associated Industries and Occupations Award 2010*. At the time of conducting the Award reliance study, this meant that a higher classification award-reliant employee was paid a basic hourly rate of more than \$18.58. This was rounded to \$18.60 when presented to survey respondents in questions regarding pay ranges. The equivalent casual rate was \$23.25 per hour, the equivalent weekly rate was around \$707.00 and the equivalent annual rate was more than \$36 720. Lower classification employees were paid at or less than \$18.60 per hour (or equivalent).²¹ Further discussion on the common ranges used in modern awards is presented in Appendix A.

It was not possible to directly identify award-reliant professional employees through the Award Reliance Survey. Instead, a subset of higher classification award-reliant employees was identified by proxy. Earlier research had revealed that 36 modern awards contained professional classifications.²² These awards were coded as containing 'professional classifications' where the positions required tertiary/university level qualifications (excluding vocational education and training qualifications) or highly specialised knowledge or skills were integral to the award classification. Information from higher paid employees covered by these awards was analysed separately as a distinct population and treated as indicative of the situation prevailing among 'award-reliant professional employees'.

2.2.3 Pay-setting arrangements

To ensure consistency in terminology across the research projects undertaken for the Commission, a classification structure for defining wage-setting was developed by the (then) Minimum Wages and Research Branch of Fair Work Australia in consultation with the WRC. Appendix B summarises the categorical framework devised to help understand how workplace level wage determination practice can be defined in a way that aligns with the categories of wage determination recognised in the Fair Work Act. The framework was devised because practice at organisational level often does not neatly follow the categories used in the Fair Work Act.

The Fair Work Act distinguishes between instances where a modern award 'applies' to an employee (s.47) and where it 'covers' an employee (s.48), with coverage having a broader meaning than application. Under the Fair Work Act, a modern award can 'cover' an employee even if that employee is paid under an enterprise agreement. The notion of 'coverage' is important as it helps to define which modern awards are relevant when testing whether an enterprise agreement complies with the

²⁰ Maltman K and Dunn A (2012), *Higher classification/professional employee award reliance qualitative research: Interim report*, Research Report No. 4/2012, February, Fair Work Australia, Melbourne, p. 5.

²¹ While it may be possible that employees reliant on the national minimum wage order, which sets wages for award/agreement free employees, are included in the estimate of employees on lower classifications, the survey focused on employees that were defined as award-reliant and as a result, an estimate of employees reliant on the national minimum wage order cannot be determined.

²² Maltman K and Dunn A (2012), *Higher classification/professional employee award reliance qualitative research: Interim report*, Research Report No. 4/2012, February, Fair Work Australia, Melbourne, p. 12.

Better Off Overall Test (BOOT) or where that employee is a 'high-income employee' with a guarantee of earnings. However, a modern award cannot apply to an employee if an enterprise agreement applies (s.57(1)), or if they are a high-income employee (s.47(2)). Given the broad coverage terms of modern awards (i.e. by industry or occupation rather than geography or residency), employees can be covered by a modern award without it directly applying to them.

During the cognitive testing and pilot stages of survey development, many respondents had difficulties understanding distinctions that are embedded in current labour law. As a result, data were collected on the three most common methods of pay-setting arrangements (enterprise agreements, awards and individual arrangements). To help categorise employees into distinct pay-setting arrangements, questions in the CATI survey were ordered to first seek information on enterprise agreements, followed by awards, and then individual arrangements. The following conventions were applied in situations involving ambiguity.

- If a respondent reported that an employee was covered by an enterprise agreement and an award—the employee would be considered to have their pay set under an enterprise agreement.
- If a respondent reported that an employee was covered by an award and an individual pay-setting arrangement—the employee would be considered to have their pay set by an award and were referred to as 'award-based' employees.
- Where respondents reported that they had employees covered by 'award-based' pay arrangements they were asked how many, if any, of these employees had their pay set at exactly the award rate. Such employees were classified as 'award-reliant'.

The categories and conventions used in this analysis are similar to, but differ slightly from, those used by the ABS in survey of Employee Earnings and Hours, which is the main survey for data on the award-reliant workforce.²³ The three methods of setting pay in the ABS EEH 2012 Survey publication are: individual agreement, collective agreement and award. Employees classified as 'award only' have their rate of pay specified by an award and are paid at exactly that rate. Employees classified under the 'collective agreement' category have their pay set by collective agreements, such as an enterprise agreement or an enterprise award. The 'individual arrangement' category includes employees who have their pay set by an individual contract, registered individual agreement (e.g. an Individual Transitional Employment Agreement), common law contract, or an agreement to receive over-award payments.²⁴ The Award Reliance Survey distinguished between four methods of pay-setting arrangements:

- registered enterprise agreement;
- unregistered enterprise agreement;
- award;²⁵ and

²³ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

²⁴ Owner managers of incorporated enterprises—persons who worked in their own incorporated business—were excluded from the ABS EEH method of setting pay classifications. This publication does not provide any further information about the award classifications of the award-reliant workforce.

²⁵ As noted above, organisations reporting that they set the rate of pay for at least one of their employees with reference to an award were asked the follow-up question of how many, if any, of these employees had their pay set at exactly the award rate. Such employees were classified as 'award-reliant'. The remainder of 'award-based' employees who were not 'award-reliant' were classified as 'over-award' and ultimately reallocated to the category of 'other arrangements'.

- individual arrangement (including employees who had their pay set by an individual contract, registered individual arrangement, common law contract or an agreement to receive over-award payments).

Another difference is that in 2002 the EEH Survey changed the 'method of setting pay' data item to refer to the industrial arrangement by which the *main part* of an employee's pay was set.²⁶ In the Award Reliance Survey, respondents were asked how many employees had their pay set by each of the four methods of setting pay, with no reference made to the *main part* of an employee's pay.

A further difference relates to sampling. The EEH Survey samples employers who are asked to draw a random sample of employees from payrolls and to report on the earnings and hours paid for each of these.²⁷ In the Award Reliance Survey, employers were asked to report on the pay-setting arrangements for all employees in the organisation.

However, the EEH Survey and the Award Reliance Survey share a common definition relating to the classification of employees as 'award only'. For both surveys, 'award only' or award-reliant employees are defined as employees who are not paid more than the exact award rate of pay.

Finally, the publicly available data from the EEH reports on the situation governing all employees in Australia. The Award Reliance Survey covered a slightly smaller, non-public sector population, details of which are provided in the next section.

For these reasons, estimates of award-reliant employees from the Award Reliance Survey sometimes differ from those generated from the EEH Survey.

While the definitions of award reliance adopted in the Award Reliance Survey were developed in order to promote consistency in terminology and approach, care should be exercised in using them as categories for analysis. As shown in Research Report 7/2013—*Minimum wages and their role in the process and incentive to bargain*,²⁸ some enterprise agreements analysed in that study were shown to rely directly on movements in minimum wages to shape wage movements concerning employees cover by these agreements. Further, that study found that in a sample of 72 agreements for which comparable classifications could be found, most reproduced wage relativities very similar to those prevailing in awards.

2.3 Sample design and selection

The sample design and screening questions for the CATI questionnaire were designed to recruit non-public sector organisations that came under the national workplace relations system. Employees were deemed to be under federal or state workplace relations jurisdictions for pay-setting purposes based on the legal status of their employer. Under the Fair Work Act, the majority of employers and employees in Australia come under the national workplace relations system, and include the following groups:

- constitutional corporations (including financial or trading corporations—generally Pty Ltd or Ltd);
- the Commonwealth and Commonwealth authorities;

²⁶ Wilkins R and Wooden M (2011), *Measuring Minimum Award Wage Reliance in Australia: The HILDA Survey Experience*, Melbourne Institute Working Paper Series, Working Paper No. 11/11, Melbourne Institute of Applied Economic and Social Research, p. 5.

²⁷ Wilkins R and Wooden M (2011), *Measuring Minimum Award Wage Reliance in Australia: The HILDA Survey Experience*, Melbourne Institute Working Paper Series, Working Paper No. 11/11, Melbourne Institute of Applied Economic and Social Research, p. 5.

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- employers who employ flight crews, maritime employees or waterside workers;
 - all employers in the Australian Capital Territory (ACT), Northern Territory (NT) and Victoria; and
 - private sector employers in New South Wales (NSW), Queensland, South Australia and Tasmania.

The following groups of employers (and consequently their employees) are generally not covered by the national workplace relations system:

- state governments;
- Australian corporations whose main activity is not trading or financial; and
- sole traders and partnerships in Western Australia.²⁹

The purpose of the Award Reliance study was to examine award reliance at the organisation level. Public sector organisations were excluded from the scope of this research for two reasons. First, most operate on a different basis to those in the private sector and are worthy of a specialised study in their own right. Second, in several jurisdictions (notably New South Wales, Queensland and Western Australia), their wages and conditions are governed by state workplace relations systems.

Based on jurisdictional coverage, the survey scope included all private sector and non-government organisations with at least one employee in Australia, with the following exceptions:

- businesses in the Australian and New Zealand Standard Industrial Classification (ANZSIC)³⁰ Agriculture, forestry and fishing classification (pursuant to the approach in the ABS EEH 2012 Survey);
- for the ANZSIC Public administration and safety classification, only businesses from industry codes 753 (Local government administration) and 7712 (Investigation and security services) were included; and
- unincorporated businesses in Western Australia.

As already mentioned, exclusion of public sector organisations from the sample in the Award Reliance Survey means that care should be undertaken in making comparisons with the estimates published in the ABS EEH 2012 Survey.

The sample design for the Award Reliance Survey used the Dun and Bradstreet database of registered businesses and was based on 28 survey strata defined according to industry and employment size. The sample sizes for these strata were defined in terms of quotas for non-public sector award-reliant organisations in each strata. Oversampling occurred in the five industries which, according to the ABS EEH 2012 Survey,³¹ account for the largest proportion of award-reliant employees. These industries were: Accommodation and food services; Retail trade; Health care and social assistance; Administrative and support services; and Manufacturing. Together, these industries employed over two-thirds of award-reliant employees.³² Full details of the survey population are provided in Appendix C. Population estimates for organisations were weighted based on the ABS

²⁹ ABS, *Australian Labour Market Statistics, Australia*, July 2011, Catalogue No. 6105.0, Feature article: Trends in Employee methods of setting pay and jurisdictional coverage.

³⁰ ABS, *Australian and New Zealand Standard Industrial Classification 2006*, Revision 2.0, Catalogue 1292.0.

³¹ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

³² In May 2010 the proportion was 71.4 per cent. See ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

Counts of Australian Businesses catalogue, and for employees based on the *ABS Australian Industry* catalogue.³³

During August 2012, key concepts used in the survey were cognitively tested with industrial relations/human resources managers from 10 organisations of varying size. A pilot survey was undertaken in October 2012 (see Appendix D). Following revisions to the survey design from this process, interviewing for the main survey commenced on 29 January 2013 and was completed on 22 April 2013. A total of 11 569 employers responded to the initial CATI survey. The sample size of 11 569 employers resulting from the data collection was reduced to 11 534 after data cleaning. The overall response rate to the CATI component was 41 per cent. Of these, 4270 non-public sector organisations indicated that they had at least one award-reliant employee and were categorised as an award-reliant organisation. Of these 4270 award-reliant organisations, 2781 provided further detailed award wages data. For a distribution of organisations and employees in the sample see Appendix E.

2.4 Limitations of the research design

As is typically the case with large-scale quantitative surveys, a trade-off existed between the demands placed on respondents and the desire to collect as much information on pay-setting arrangements as possible. As already mentioned above, the first trade-off resulted in limiting the collection of information to the top three modern awards used to set pay in award-reliant organisations.

In order to improve the response rate, a decision was made to collect detailed award wage data from the CATI Survey if an organisation had less than 20 employees and only used one modern award. Although tailored wage schedules were prepared for the online method of data collection, it was neither feasible nor possible to use the tailored wage schedules for the CATI Survey. For this reason, the third trade off resulted in the use of six common default pay ranges as the default for collection of detailed award wages data using the CATI Survey (see Appendix A). While it would have been useful for comparative purposes, a fourth trade off meant that business characteristics were not collected from organisations that were not award-reliant.

Despite the intention to collect detailed data on professional award-reliant employees, analytical limitations arose when cognitive testing and initial pilot testing of the survey found that there was no common understanding among respondents of the term 'professional'. Previous qualitative research undertaken by the Commission defined a professional classification award-reliant employee as an employee defined by their applicable modern award to be in a 'professional' classification.³⁴ In that study, when information in the award classification was deficient or a classification structure in a modern award did not expressly identify a classification to be 'professional', the Commission used the Australian and New Zealand Standard Classification of Occupations (ANZSCO) to identify whether an occupation was classified as 'professional'. Such an approach was not possible with the large-scale quantitative nature of the Award Reliance Survey. For this reason, detailed information on 'professional' employees was not gathered. Instead, professional employees were considered a subset of 'higher classification award-reliant employees'. Having collected information on the awards in use and the pay ranges for various categories of employees, it was possible to use the award classification structures to estimate how many of the higher classification award-reliant employees were also likely to have occupied professional roles.

³³ ABS, *Counts of Australian Businesses, including Entries and Exits, Jun 2008 to Jun 2012*, Catalogue No. 8165.0; and ABS, *Australian Industry*, Catalogue No. 8155.0.

³⁴ Maltman K and Dunn A (2012), *Higher classification/professional employee award reliance qualitative research: Interim report*, Research Report No. 4/2012, February, Fair Work Australia, Melbourne, pp. 5–6.

3 Award reliance in organisations

There has been little previous research into the proportion and characteristics of organisations that have award-reliant employees. In this chapter, non-public sector award-reliant organisations are identified and the characteristics of these organisations are examined. An award-reliant organisation is defined in this project as an organisation with at least one award-reliant employee. That is, at least one employee in the organisation receives the exact award rate of pay.

Section 3.1 provides an overview of the chapter's findings. Section 3.2 identifies the incidence of award-reliant organisations within the population of all non-public sector organisations covered by the national workplace relations system. Section 3.3 reports on the characteristics of award-reliant organisations in more detail based on the proportion of their employees who are award-reliant. Section 3.4 discusses the reasons organisations use awards and how they are used. Section 3.5 provides an analysis of business characteristics of award-reliant organisations. Section 3.6 provides a conclusion for this chapter.

3.1 Overview of findings

The project determined that 25 per cent of non-public sector organisations were award-reliant. Award reliance was found to be high among larger organisations. A higher proportion of large organisations and medium organisations were award-reliant (both 44 per cent) than small organisations (32 per cent) and micro organisations (18 per cent). The industries that had a relatively high proportion of award-reliant organisations were Accommodation and food services (64 per cent) and Retail trade (44 per cent). Organisations in regional/rural locations were more likely to be award-reliant than organisations in metropolitan locations.

While it was estimated that 25 per cent of organisations were award-reliant, more than half of all non-public sector organisations (52 per cent) reported using awards in some way to set pay or guide pay decisions for at least one of the employees in their organisation, i.e. award-based. More than one-quarter (27 per cent) of all organisations used 'over-award' pay-setting arrangements, i.e. where the organisation was not paying any of their employees at exactly the applicable rate specified in an award, but an award was used, in some way, by the organisation to guide the pay-setting decision for at least one of their employees.

The chapter also discusses the degree of award reliance within non-public sector organisations. This is determined by the proportion of award-reliant employees in the organisation. It was found that in 50 per cent of award-reliant organisations, more than three-quarters of employees were award-reliant. The proportion of organisations with more than three-quarters of employees award-reliant was highest in Transport, postal and warehousing; Public administration and safety; and Accommodation and food services. Over half of micro organisations (59 per cent) and organisations in regional/rural locations (57 per cent) also had more than three-quarters of employees award-reliant.

Most award-reliant organisations in the non-public sector used only one award (71 per cent). Larger organisations were more likely to use more than one award. The most common reasons reported by award-reliant organisations for using awards to set pay for employees were that award rates were appropriate or fair remuneration, and affordability.

The types of employees that were typically paid award rates by non-public sector organisations differed, with particular occupational groups, apprentices and those employed on a casual basis the most common categories. The most common occupational groups were Clerical and administrative workers and Labourers.

The most common reason cited for non-public sector organisations that pay above the award rate were to reward performance, achievement or effort. A higher proportion of award-reliant organisations that also used enterprise agreements paid above award rates due to award terms and conditions not suitable or flexible enough, or due to client/funding body requirement. For award-reliant organisations that also used other pay-setting arrangements, a higher proportion of organisations cited that they wanted to reward employees with higher wages than award rates, that the applicable award wages are not competitive for attracting and retaining workers and because of skills, responsibilities or the role of the employee.

While most award-reliant organisations in the non-public sector that also employed workers on over-award arrangements did not pass on the *Annual Wage Review 2011–12* decision of a minimum wage increase of 2.9 per cent,³⁵ around 30 per cent of award-reliant organisations paid annual wage review increases to employees even if these employees were on over-award rates of pay. A higher proportion of award-reliant organisations in Information media and telecommunications; Mining; and Public administration and safety passed on this minimum wage increase. A higher proportion of large and medium organisations also passed on this minimum wage increase.

The business characteristics analysed in this report showed that most non-public sector award-reliant organisations had operated for more than five years and had reported a profit/surplus in the 2011–12 financial year. A majority of award-reliant organisations reported working outside standard operating hours and around 30 per cent of award-reliant organisations reported that between 25 per cent and less than 50 per cent of their operating expenses comprised labour costs, across all degrees of award reliance. Across organisations that had more than one-quarter of their workforce award-reliant, over half reported that their workforce had stayed the same compared with the same time last year. For businesses that had less than one-quarter of their workforce award-reliant, a higher proportion reported that their workforce had increased. Although a majority of award-reliant organisations (70 per cent or more) reported that there was an adequate supply of labour, this was higher for organisations that had more than three-quarters of their workforce award-reliant (75 per cent). Note that the findings on business metrics and their association with award reliance must be treated with caution, as the data did not enable comparison with the situation in non award-reliant organisations. Also, it was unclear whether the characteristics noted above arose from award reliance or other factors such as industry and size characteristics.

3.2 Identifying award-reliant organisations

Analysis in this section provides details on pay-setting arrangements in place across non-public sector organisations in the national system.

3.2.1 Mix of pay-setting arrangements across all non-public sector organisations covered by the national workplace relations system

The findings in this section of the chapter were based on a sample of 11 534 non-public sector organisations that completed the CATI Survey. Organisations were identified by the pay-setting arrangements used within their organisation. In order to identify the mix of pay-setting arrangements in place across and within organisations, respondents were asked if any of their employees had their pay set by each of the following four categories of pay-setting arrangements:

- registered enterprise agreements;

³⁵ *Annual Wage Review 2011–12* decision, [2012] FWAFB 5000 (1 June 2012).

- unregistered enterprise agreements;
- award-based arrangements—(where an award is used in some way to guide pay-setting decisions, and including both award-reliant and over-award pay-setting arrangements); and
- individual arrangements (including common law contracts).³⁶

Table 3.1 provides the proportion of non-public sector organisations that used each of the four pay-setting arrangements and by award-reliant status of the organisation. Organisations were able to provide multiple responses if different employees had their pay set by different arrangements. For this reason, the responses do not add to 100 per cent.

Table 3.1: Mix of pay-setting arrangements by award-reliant status of organisations, cell percentages

	Percentage of organisations by pay-setting arrangement			
	Award-based*	Enterprise Agreement		Individually-based**
		Registered	Unregistered	
Award-reliant organisations	100	2	1	43
Organisations that were not award-reliant	36	6	2	73
All organisations	52	5	2	65

Dataset: CATI datasets A & B. Questions: CATI Q14. Base = all organisations, percentages by cell, weights by organisations (Weight A). *Award-based included award-reliant and other pay-setting arrangements where an award is used in some way to guide pay-setting decisions. **Individually-based pay-setting arrangements was comprised of the balance of employees who were not covered by registered enterprise agreements, unregistered enterprise agreements or awards.

Having identified the mix of pay-setting arrangements, organisations that used awards and/or individual arrangements to set pay for some or all of their employees were asked how many, if any, of their employees had their pay set at exactly the applicable rate specified in an award, i.e. how many employees were award-reliant.³⁷ From the sample of 11 534 non-public sector organisations, and after weights were applied, it was estimated that 25 per cent of organisations were award-reliant—where at least one employee was an award-reliant employee (Table 3.2).³⁸

Table 3.2: Organisations with award-based and award-reliant pay-setting arrangements, cell percentages

	Percentage of organisations by pay-setting arrangements		
	Award-based*	Award-reliant**	'Over-award'***
All organisations	52	25	27

Dataset: CATI datasets A & B. Questions: CATI Q14B & Q15. Base = all organisations, percentages by cell, weights by organisations (Weight A). *Award-based included award-reliant and other pay-setting arrangements where an award is used in some way to guide pay-setting decisions. **Award-reliant was restricted to organisations with at least one employee who was paid exactly the award rate. ***Organisations using 'over-award' arrangements was estimated by subtracting award reliance from 'award-based'.

The survey design meant that it was possible to estimate the proportion of non-public sector organisations using awards in some way to set pay or guide pay decisions for at least one of the employees in their organisations, i.e. award-based pay-setting arrangements. So while it was estimated that 25 per cent of non-public sector organisations were award-reliant, more than half of all

³⁶ Question 14 of the CATI Survey questionnaire.

³⁷ Question 15 of the CATI Survey questionnaire.

³⁸ This estimate was based on a sample of 4270 organisations that reported that they were award-reliant.

organisations (52 per cent) reported using awards in some way to set pay or guide pay decisions for at least one of the employees in their organisation, i.e. award-based. More than one-quarter (27 per cent) of all non-public sector organisations used 'over-award' pay-setting arrangements, i.e. where the organisation was not paying any of their employees at exactly the applicable rate specified in an award, but an award was used, in some way, by the organisation to guide the pay-setting decision for at least one of their employees.

Details of how award-based and award-reliant organisations in the non-public sector are distributed by organisation size, industry and location are provided in Appendix F in Tables F1, F2 and F3.

3.2.2 The incidence of award-reliant organisations in the survey population

Having distinguished award-reliant organisations from those that base pay determination on awards in some way, the following sections report on how award-reliant organisations are distributed across the population of all non-public sector organisations covered by the national workplace relations system.

3.2.2.1 Incidence of award-reliant organisations by organisation size

This section reports on how non-public sector award-reliant organisations are distributed by organisation size. Four organisation size bands are used in this report:

- micro organisations—one to four employees;
- small organisations—five to 19 employees;
- medium organisations—20 to 99 employees; and
- large organisations—100 or more employees.

Table 3.3 reports on how award-reliant organisations are distributed by organisation size, and how this compares with the distribution of all non-public sector organisations covered by the national workplace relations system. Of award-reliant organisations, less than half (46 per cent) are micro sized, 36 per cent small, 16 per cent medium and 3 per cent large. As the table shows, on average non-micro organisations have a higher incidence of award reliance.

Column two of the table reveals that the distribution of award-reliant organisations is different to that of the survey population. Just over three in five non-public sector organisations (62 per cent) are micro in size, while small organisations account for a further 28 per cent, medium sized organisations make up 9 per cent of this population and only 2 per cent have 100 or more employees.

Table 3.3: Incidence of award-reliant organisations by organisation size, percentages by column

	Percentage of organisations	
	Award-reliant* organisations	All organisations
Micro	46	62
Small	35	28
Medium	16	9
Large	3	2
All organisations	100	100

Dataset: CATI datasets A&B. Questions: CATI Q8 & Q15. Base = all organisations. Weights by organisations (Weight A).
*Award-reliant was restricted to organisations with at least one employee who was paid exactly the award rate.

Table 3.4 reports on what proportion of organisations within each particular size band are award-reliant. Overall, 25 per cent of all non-public sector organisations are award-reliant and, by category, there is a greater concentration of award-reliant organisations among medium and large organisations (44 per cent each). Of all micro organisations, 18 per cent are award-reliant, while just under one-third (32 per cent) of small organisations are award-reliant.

Table 3.4: Incidence of award-reliant organisations by organisation size, percentages by row

	Percentage of all organisations		All organisations
	Award-reliant organisations	Non award-reliant organisations	
Micro	18	82	100
Small	32	68	100
Medium	44	56	100
Large	44	56	100
All organisations	25	75	100

Dataset: CATI datasets A&B. Questions: CATI Q8 & Q15. Base = all organisations. Weights by organisations (Weight A).
 **Award-reliant was restricted to organisations with at least one employee who was paid at exactly the award rate.

Figure F1 in Appendix F shows the proportions of non-public sector organisations that used award-based pay-setting arrangements in some way and those that were award-reliant by organisation size. For micro organisations, 45 per cent used award-based pay-setting arrangements and 18 per cent were award-reliant. For small organisations, 63 per cent used award-based pay-setting arrangements and 32 per cent were award-reliant. For medium organisations, 65 per cent used award-based pay-setting arrangements and 44 per cent were award-reliant. For large organisations, 62 per cent used award-based pay-setting arrangements and 44 per cent were award-reliant.

3.2.2.2 Incidence of award-reliant organisations by industry

This section reports on how non-public sector organisations covered by the national workplace relations system are distributed by industry. Table 3.5 highlights how a small number of industries (five out of 18) account for the majority (57 per cent) of award-reliant organisations. These industries correspond to the top five award-reliant industries as identified by the ABS EEH 2012 Survey.³⁹ Accommodation and food services, Retail trade; Health and social assistance; Administrative and support services; and Manufacturing. These industries account for only 36 per cent of the entire survey population, i.e. all non-public sector organisations covered by the national workplace relations system. Notably, two industries—Accommodation and food services and Retail trade—account for just under two in five (38 per cent) award-reliant organisations while comprising 19 per cent of the survey population.

³⁹ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

Table 3.5: Incidence of award-reliant organisations in selected industries, percentages by column

	Percentage of organisations	
	Award-reliant* organisations	All organisations
Accommodation and food services	20	8
Retail trade	19	11
Health care and social assistance	7	7
Administrative and support services	5	5
Manufacturing	6	7
Sub-total	57	36
All other industries	43	64
All industries	100	100

Dataset: CATI datasets A&B. Questions: CATI Q6, Q7 & Q15. Base = all organisations. Weights by organisations (Weight A).
*Award-reliant was restricted to organisations with at least one employee who was paid exactly the award rate.

Table 3.6 details the distribution of non-public sector award-reliant organisations within each of these categories. It reveals that the industries with the greatest proportions of award-reliant organisations are Accommodation and food services (64 per cent) and Retail trade (44 per cent). This compares with an average of 25 per cent across all industries.

Table 3.6: Incidence of award-reliant organisations in selected industries, percentages by row

	Award-reliant* organisations	Non award-reliant organisations	All organisations
Accommodation and food services	64	36	100
Retail trade	44	56	100
Health care and social assistance	27	73	100
Administrative and support services	25	75	100
Manufacturing	22	78	100
All industries	25	75	100

Dataset: CATI datasets A&B. Questions: CATI Q6, Q7 & Q15. Base = all organisations. Weights by organisations (Weight A).
*Award-reliant was restricted to organisations with at least one employee who was paid exactly the award rate.

Table 3.7 provides full details of the incidence of award-reliant organisations in the non-public sector by industry and how this varies by size within each industry. In addition to Accommodation and food services and Retail trade, this table reveals that the Arts and recreation services industry also had a high proportion of award-reliant organisations. Mining had the lowest proportion of award-reliant organisations (7 per cent). Relatively low proportions of award-reliant organisations were also found in Professional, scientific and technical services (8 per cent), Electricity, gas, water and waste services (11 per cent) and Financial and insurance services (11 per cent). The table also shows that the low incidence of award-reliant organisations amongst micro organisations is a consistent pattern across all industries.

Table 3.7: Award reliance among all organisations by industry and organisation size, percentages by cell

	Percentage of all organisations				
	Micro	Small	Medium	Large	All
Accommodation and food services	53	71	74	68	64
Administrative and support services	15	23	55	64	25
Arts and recreation services	18	50	62	50	33
Construction	19	22	23	18	20
Education and training	16	32	41	25	25
Electricity, gas, water and waste services	6	17	33	24	11
Financial and insurance services	10	12	24	14	11
Health care and social assistance	23	30	41	33	27
Information media and telecommunications	4	18	16	50	10
Manufacturing	19	23	32	21	22
Mining	6	13	7	0	7
Professional, scientific and technical services	6	13	15	36	8
Public administration and safety	26	34	40	31	30
Rental, hiring and real estate services	20	35	28	51	25
Retail trade	36	47	67	72	44
Transport, postal and warehousing	7	24	36	38	13
Wholesale trade	8	15	39	40	15
Other services	22	35	32	67	27
All industries	18	32	44	44	25

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q8 & Q15. Base = All organisations, percentages by cell, weights by organisation (Weight A). Note: Organisations with mix of Metropolitan/Regional or Don't Know were not reported separately, but included in All Locations.

Figure F2 in Appendix F shows the proportions of non-public sector organisations that used award-based pay-setting arrangements in some way and those that were award-reliant by industry. From this figure it can be seen that the three industries with the highest incidence of award-based pay-setting arrangements also had the highest levels of award reliance: Accommodation and food services (78 per cent of all organisations used award-based pay-setting arrangements and 64 per cent were award-reliant), Retail trade (75 per cent of organisations used award-based pay-setting arrangements and 44 per cent were award-reliant) and Arts and recreation services (60 per cent of organisations used award-based pay-setting arrangements and 33 per cent were award-reliant). The figure also indicates that the gap between the proportions of organisations that used award-based pay-setting arrangements and award-reliant organisations varied considerably between industries. Gaps were highest in Manufacturing (61 per cent of organisations used award-based pay-setting arrangements and 22 per cent were award-reliant, i.e. 39 per cent 'over-award' gap), Transport, postal and warehousing (49 per cent of organisations used award-based pay-setting arrangements and 13 per cent were award-reliant, i.e. 36 per cent 'over-award' gap) and Other services (62 per cent of organisations used award-based pay-setting arrangements and 27 per cent were award-reliant, i.e. 35 per cent 'over-award' gap).

3.2.2.3 Incidence of award-reliant organisations by location

Table 3.8 shows that non-public sector organisations in regional/rural locations had a higher proportion of award-reliant organisations (34 per cent) than those in metropolitan locations (19 per cent). This was the case across all organisation sizes, with the highest proportion of award reliance found in medium-sized organisations located in regional or rural areas (52 per cent).

Table 3.8: Award reliance among all organisations by location, percentages by cell

	Percentage of all organisations				
	Micro	Small	Medium	Large	All
Metropolitan	13	24	39	43	19
Regional/rural	28	42	52	45	34
All locations	18	32	44	44	25

Dataset: CATI datasets A & B. Questions: CATI Q8, Q11, Q12, Q13 & Q15. Base = All organisations, percentages by cell, weights by organisation (Weight A). Note: Organisations with mix of Metropolitan/Regional or Don't Know were not reported separately, but included in All Locations.

Figure F3 in Appendix F shows the proportions of non-public sector organisations that used award-based pay-setting arrangements in some way and those that were award-reliant by location. For organisations located in metropolitan areas, 45 per cent used award-based pay-setting arrangements and 19 per cent were award-reliant. For organisations located in regional or rural areas, 63 per cent used award-based pay-setting arrangements and 34 per cent were award-reliant.

Table 3.9 presents a table on award reliance in the non-public sector by all of these indicators: organisation size, industry and location. The table shows that the proportion of award-reliant organisations was higher in organisations in regional/rural locations (34 per cent) than metropolitan locations (19 per cent). This finding held true in all industries. It also held true within each industry and across each of the four organisation sizes, with three exceptions. Among medium organisations, the proportion of award reliance was higher in organisations located in metropolitan areas in Accommodation and food services (75 per cent compared with 73 per cent), Construction (23 per cent compared with 19 per cent) and Education and training (44 per cent compared with 36 per cent).

Table 3.9: Award reliance among all organisations by industry, location and size of organisation, percentages by cell

	Percentage of award-reliant organisations				
	Micro	Small	Medium	Large	All
Accommodation and food services					
Metropolitan	46	68	75	62	63
Regional/rural	57	72	73	79	65
All locations	53	71	74	68	64
Administrative and support services					
Metropolitan	13	19	51	60	21
Regional/rural	19	36	62	72	30
All locations	15	23	55	64	25
Arts and recreation services					
Metropolitan	9	41	52	46	24
Regional/rural	30	59	78	68	45
All locations	18	50	62	50	33

	Percentage of award-reliant organisations				
	Micro	Small	Medium	Large	All
Construction					
Metropolitan	14	21	23	11	16
Regional/rural	26	24	19	28	26
All locations	19	22	23	18	20
Education and training					
Metropolitan	15	28	44	19	23
Regional/rural	21	39	36	38	30
All locations	16	32	41	25	25
Electricity, gas, water and waste services					
Metropolitan	0	0	31	20	6
Regional/rural	11	21	50	30	15
All locations	6	17	33	24	11
Financial and insurance services					
Metropolitan	1	8	14	14	3
Regional/rural	33	33	0	0	34
All locations	10	12	24	14	11
Health care and social assistance					
Metropolitan	21	28	33	33	24
Regional/rural	27	34	32	32	31
All locations	23	30	41	33	27
Information media and telecommunications					
Metropolitan	0	4	14	45	4
Regional/rural	14	56	33	50	26
All locations	4	18	16	50	10
Manufacturing					
Metropolitan	12	20	29	20	18
Regional/rural	28	30	37	27	30
All locations	19	23	32	21	22
Mining					
Metropolitan	6	13	7	0	7
Regional/rural	0	0	0	0	0
All locations	6	13	7	0	7
Professional, scientific and technical services					
Metropolitan	5	6	16	39	6
Regional/rural	11	31	16	24	16
All locations	6	13	15	36	8
Public administration and safety					
Metropolitan	25	32	33	21	28
Regional/rural	33	36	43	32	37
All locations	26	34	40	31	30

	Percentage of award-reliant organisations				
	Micro	Small	Medium	Large	All
Rental, hiring and real estate services					
Metropolitan	11	25	23	53	17
Regional/rural	34	47	32	44	38
All locations	20	35	28	51	25
Retail trade					
Metropolitan	30	40	63	71	38
Regional/rural	41	52	74	75	49
All locations	36	47	67	72	44
Transport, postal and warehousing					
Metropolitan	6	15	31	39	11
Regional/rural	8	33	40	33	15
All locations	7	24	36	38	13
Wholesale trade					
Metropolitan	6	12	34	38	12
Regional/rural	17	21	65	51	23
All locations	8	15	39	40	15
Other services					
Metropolitan	17	30	27	71	22
Regional/rural	31	41	44	50	34
All locations	22	35	32	67	27
All Industries					
Metropolitan	13	24	39	43	19
Regional/rural	28	42	52	45	34
All locations	18	32	44	44	25

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q8, Q9, Q11, Q12, Q13 & Q15. Base = All organisations, percentages by cell, weights by organisation (Weight A). Note: Organisations with mix of Metropolitan/Regional or Don't Know were not reported separately, but included in All Locations.

3.3 Award-reliant organisations

In the previous sections, the findings were based on a sample of 11 534 non-public sector organisations that completed the CATI Survey. In this section of the report, the findings are restricted to 4270 non-public sector award-reliant organisations. That is, organisations with at least one award-reliant employee. The analysis is performed by the degree, or proportion, of the organisation's employees that are award-reliant.

3.3.1 Degree of award reliance

Ranked from highest to lowest on the basis of the proportion of the organisation's award-reliant workforce comprising more than three-quarters of the workforce, Table 3.10 presents the degree of award reliance in the non-public sector by industry. Table 3.10 shows that:

- in 50 per cent of award-reliant organisations, more than three-quarters of the organisation's workforce was award-reliant;
- in 20 per cent of award-reliant organisations, between one-half and three-quarters of the workforce was paid award rates;

- in 18 per cent of award-reliant organisations, between one-quarter and less than one-half of their workforce was paid award rates; and
- in 11 per cent of award-reliant organisations, less than one-quarter of the workforce was paid award rates.

The degree of award reliance in the non-public sector varied between industries. Transport, postal and warehousing (72 per cent), Public administration and safety (71 per cent) and Accommodation and food services (70 per cent) had the highest proportion of award-reliant organisations, with more than three-quarters of their workforce award-reliant. Award-reliant organisations in Mining and Financial insurance and services were the most likely to have less than one-quarter or between one-half and three-quarters of their workforce award-reliant. Award-reliant organisations in Construction and Other services were the most likely to have between one-quarter and one-half of their workforce award-reliant.

The degree of award reliance for non-public sector organisations in Retail trade and Health care and social assistance was around the average for all industries.

Table 3.10: Within industry degree of award reliance, award-reliant organisations only, percentages by row

	Percentage of award-reliant organisations grouped by degree of award reliance				Total
	Less than ¼	From ¼ to less than ½	From ½ to less than ¾	More than ¾	
Transport, postal and warehousing	9	8	10	72	100
Public administration and safety	11	13	5	71	100
Accommodation and food services	3	6	20	70	100
Arts and recreation services	6	11	20	63	100
Education and training	11	21	7	60	100
Administrative and support services	8	16	17	58	100
Information media and telecommunications	32	8	2	58	100
Electricity, gas, water and waste services	18	15	13	54	100
Health care and social assistance	9	17	20	53	100
Retail trade	10	19	21	50	100
Rental, hiring and real estate services	17	23	18	41	100
Construction	9	29	23	39	100
Professional, scientific and technical services	22	18	23	37	100
Wholesale trade	22	18	24	36	100
Other services	18	27	21	35	100
Manufacturing	21	25	21	32	100
Financial and insurance services	27	25	45	3	100
Mining	30	24	46	0	100
All industries	11	18	20	50	100

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7 & Q15. Base = award-reliant organisations, percentages by cell, weights by organisations (Weight A). Note: Responses of Don't know for Location not reported separately, but included in All Locations.

Table 3.11 shows that a higher proportion of smaller non-public sector organisations than larger organisations had more than three-quarters of their employees paid at award rates. Therefore, not only were smaller organisations more likely to be award-reliant, but the composition of their workforce was also likely to contain more award-reliant employees. Large award-reliant organisations were more likely to have less than one-quarter of their workforce paid at award rates than other organisation sizes.

Table 3.11: Degree of award reliance by size of organisation, award-reliant organisations only, percentages by row

Organisation size	Percentage of award-reliant organisations grouped by degree of award reliance				Total
	Less than $\frac{1}{4}$	From $\frac{1}{4}$ to less than $\frac{1}{2}$	From $\frac{1}{2}$ to less than $\frac{3}{4}$	More than $\frac{3}{4}$	
Micro	–	20	21	59	100
Small	20	18	21	42	100
Medium	29	13	18	40	100
Large	41	9	17	32	100
All organisations	11	18	20	50	100

Dataset: CATI datasets A & B. Questions: CATI Q8 & Q15. Base = award-reliant organisations, percentages by cell, weights by organisations (Weight A).

Table 3.12 shows the degree of award reliance in the non-public sector by state or territory. Award-reliant organisations in Tasmania had the highest proportion of organisations (71 per cent) with more than three-quarters of their workforce award-reliant, and the Northern Territory had the lowest proportion (27 per cent).

Table 3.12: Degree of award reliance by state or territory, award-reliant organisations only, percentages by row

State or territory	Percentage of award-reliant organisations grouped by degree of award reliance				Total
	Less than $\frac{1}{4}$	From $\frac{1}{4}$ to less than $\frac{1}{2}$	From $\frac{1}{2}$ to less than $\frac{3}{4}$	More than $\frac{3}{4}$	
New South Wales	11	18	17	54	100
Victoria	10	19	20	50	100
Queensland	12	17	23	47	100
Western Australia	14	29	21	36	100
South Australia	13	16	28	43	100
Tasmania	5	8	17	71	100
Northern Territory	16	48	9	27	100
Australian Capital Territory	10	17	30	42	100
All organisations	11	18	20	50	100

Dataset: CATI datasets A & B. Questions: CATI Q10 & Q15. Base = award-reliant organisations, percentages by cell, weights by organisations (Weight A).

Award-reliant organisations in regional/rural locations (57 per cent) had a higher proportion of award-reliant employees comprising more than three-quarters of their workforce than organisations in metropolitan locations (41 per cent) (Table 3.13). However, organisations in both metropolitan and

regional/rural locations were even more likely to have more than three-quarters of their workforce award-reliant (79 per cent).

Table 3.13: Degree of award reliance by location, award-reliant organisations only, percentages by row

Location	Percentage of award-reliant organisations grouped by degree of award reliance				Total
	Less than ¼	From ¼ to less than ½	From ½ to less than ¾	More than ¾	
Metropolitan	13	22	23	41	100
Regional/Rural	9	15	18	57	100
Both metropolitan and regional/rural	5	8	7	79	100
All locations	11	18	20	50	100

Dataset: CATI datasets A & B. Questions: CATI Q11, Q12, Q13 & Q15. Base = award-reliant organisations, percentages by cell, weights by organisations. Note: Responses of Don't know for Location not reported separately, but included in All Locations.

3.3.2 Modern awards used in organisations

Award-reliant organisations were asked how many modern awards were used to set wages for their award-reliant employees.⁴⁰ When an organisation used more than three modern awards, they were asked to list the top three modern awards on the basis of the highest proportion of award-reliant employees.⁴¹

Table 3.14 sets out an industry breakdown of the number of modern awards used by non-public sector organisations in the study. The findings in this table draw upon data gathered from the 4270 award-reliant organisations that completed the CATI Survey, and data were ranked in order from highest to lowest on the basis of the proportion of organisations reporting they only used one award.

Most award-reliant organisations reported using only one award (76 per cent). A further 17 per cent reported using two awards, 4 per cent used three awards and 3 per cent used more than three awards.

Use of a single award was highest in Accommodation and food services (92 per cent), Financial and insurance services (86 per cent),⁴² Construction (84 per cent) and Arts and recreation services (82 per cent). Use of two awards was highest in Health care and social assistance (31 per cent), Rental, hiring and real estate services (31 per cent) and Wholesale trade (27 per cent).

Use of three awards was relatively high in Transport, postal and warehousing (11 per cent) and Wholesale trade (9 per cent). Use of more than three awards was highest in Administrative and support services (15 per cent), Manufacturing (7 per cent), Education and training (6 per cent) and Health care and social assistance (5 per cent).

⁴⁰ Question 16A of the CATI Survey questionnaire.

⁴¹ Question 16A of the CATI Survey questionnaire. If an organisation used more than three awards, details of the top three awards on the basis of highest number of award-reliant employees were gathered at Question 16B.

⁴² Figure not reliable due to small cell size.

Table 3.14: Number of awards used to set pay in award-reliant organisations by industry, percentages by row

	Percentage of organisations grouped by number of awards in use				Total
	One award	Two awards	Three awards	More than three awards	
Accommodation and food services	92	6	2	1	100
Construction	84	14	–	3	100
Arts and recreation services	82	13	4	1	100
Public administration and safety	81	9	7	4	100
Retail trade	80	16	3	2	100
Other services	80	17	2	1	100
Professional, scientific and technical services	75	19	3	3	100
Education and training	71	18	5	6	100
Rental, hiring and real estate services	68	31	1	-	100
Manufacturing	66	20	7	7	100
Administrative and support services	63	15	7	15	100
Transport, postal and warehousing	62	25	11	2	100
Wholesale trade	59	27	9	5	100
Health care and social assistance	57	31	8	5	100
Electricity, gas, water and waste services	54*	23*	15*	8*	100*
Financial and insurance services	86*	10*	-	5*	100*
Information media and telecommunications	65*	12*	6*	18*	100*
Mining	71*	29*	-	-	100*
All industries	76	17	4	3	100

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16A. Base = award-reliant organisations, percentages by row, unweighted. *Not reliable due to small cell size.

When considering the number of modern awards used by organisation size, a higher proportion of smaller award-reliant organisations reported using one award and a higher proportion of larger organisations used multiple awards (Table 3.15). While 92 per cent of award-reliant micro organisations used one award, 51 per cent of large organisations used one award. Also, 17 per cent of large organisations reported using more than three awards compared with two per cent of medium organisations.

Table 3.15: Number of awards used to set pay by size of award-reliant organisation, percentages by row

Organisation size	Percentage of organisations grouped by number of awards in use				Total
	One award	Two awards	Three awards	More than three awards	
Micro	92	7	<1*	0*	100
Small	83	15	2	<1*	100
Medium	72	20	5	2	100
Large	51	22	10	17	100
All organisations	76	17	4	3	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q15 & Q16A. Base = award-reliant organisations, percentages by row, unweighted. *Not reliable due to small cell size.

In the Accommodation and food services, Professional, scientific and technical services and Arts and recreation services industries, all of the organisations using more than three awards had large-sized workforces. In the Financial and insurance services industry, all of the organisations using more than three awards were medium-sized. The four industries where micro organisations were using more than three awards were Education and training services, Health care and social assistance, Information media and telecommunications and Retail trade.

Of the 122 modern awards, 84 were used to set pay among the 4270 non-public sector award-reliant organisations in the survey.⁴³ These modern awards are presented in Table F.1 in Appendix F, ranked from highest to lowest proportions using these awards. The table shows that the three modern awards most commonly used to set pay by award-reliant organisations were the *General Retail Industry Award 2010* (15 per cent of organisations), the *Clerks Private Sector Award 2010* and the *Hospitality Industry (General) Award 2010* (both 13 per cent of organisations).

Perhaps not unexpectedly given clerical jobs are typically found across all sectors, the *Clerks Private Sector Award 2010* was used by many of the award-reliant organisations that reported using more than one award. For example, almost half (45 per cent) of organisations using more than three awards, almost two-thirds (64 per cent) of organisations using three awards and almost half (49 per cent) of organisations using two awards listed this award as among those awards used to set pay in their organisation. The *General Retail Industry Award 2010* was also used by a relatively high proportion of award-reliant organisations that reported using more than one award. For example, 18 per cent of organisations using more than three awards, 19 per cent of organisations using three awards and 11 per cent of organisations using two awards listed this award as among those used in their organisation.

3.3.3 Industries with a high proportion of award reliance

In this report, we refer in more detail to the five industries that account for the highest proportion of award-reliant employees according to the ABS EEH 2012 Survey.⁴⁴ These five industries are Accommodation and food services, Retail trade, Health care and social assistance, Administrative and support services and Manufacturing (see Table G.2 in Appendix G). This section reports the number of modern awards used by award-reliant organisations in these industries.

⁴³ Question 16B of the CATI Survey questionnaire.

⁴⁴ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

3.3.3.1 Accommodation and food services

A total of 20 modern awards were found to be used in the sampled non-public sector organisations to set pay for their award-reliant employees. Table 3.16 shows the five modern awards used by highest number of non-public sector award-reliant organisations in this industry. The *Hospitality Industry (General) Award 2010* was used to set pay by 64 per cent of award-reliant organisations in this industry. The four other modern awards most commonly used by award-reliant organisations in this industry were the *Restaurant Industry Award 2010* (18 per cent), the *Fast Food Industry Award 2010* (8 per cent), the *Registered and Licensed Clubs Award 2010* (3 per cent) and the *Cleaning Services Award 2010* (2 per cent). For the four most common modern awards, these proportions were above the all industries average.

Table 3.16: Modern awards most commonly used by award-reliant organisations in Accommodation and food services, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using this award	
	Accommodation and food services	All industries
	%	%
<i>Hospitality Industry (General) Award 2010</i>	64	13
<i>Restaurant Industry Award 2010</i>	18	4
<i>Fast Food Industry Award 2010</i>	8	2
<i>Registered and Licensed Clubs Award 2010</i>	3	1
<i>Cleaning Services Award 2010</i>	2	4

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B. Base = award-reliant organisations, cell percentages, weights by organisations (Weight A). Note: multiple awards can be used by each award-reliant organisation.

The full list of modern awards used in non-public sector organisations in this industry is in Table F.2 in Appendix F.

3.3.3.2 Retail trade

A total of 34 modern awards were found to be used in the sampled non-public sector organisations to set pay for their award-reliant employees. Table 3.17 shows the five modern awards used by the highest proportion of award-reliant organisations in this industry. The *General Retail Industry Award 2010* was used to set pay by 61 per cent of award-reliant organisations in this industry. The other modern awards most commonly used by award-reliant organisations were the *Vehicle Manufacturing, Repair, Services and Retail Award 2010* (12 per cent), the *Pharmacy Industry Award 2010* (11 per cent), the *Clerks Private Sector Award 2010* (8 per cent), and the *Meat Industry Award 2010* (4 per cent). For the three most common modern awards, these proportions were above the all industries average.

Table 3.17: Modern awards most commonly used by award-reliant organisations in Retail trade, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using this award	
	Retail trade	All industries
	%	%
<i>General Retail Industry Award 2010</i>	61	15
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	12	7
<i>Pharmacy Industry Award 2010</i>	11	2
<i>Clerks Private Sector Award 2010</i>	8	13
<i>Meat Industry Award 2010</i>	4	1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B. Base = award-reliant organisations, cell percentages, weights by organisations (Weight A). Note: multiple awards can be used by each award-reliant organisation.

The full list of modern awards used in non-public sector organisations in this industry to set pay for their award-reliant employees is set out in Table F.3 in Appendix F.

3.3.3.3 Health care and social assistance

A total of 24 modern awards were found to be used in the sampled non-public sector organisations to set pay for their award-reliant employees. Table 3.18 shows the five modern awards used by highest proportion of organisations in this industry.

The *Health Professionals and Support Services Award 2010* was used to set pay by 46 per cent of non-public sector award-reliant organisations in this industry. The other awards most commonly used by award-reliant organisations in this industry were the *Clerks Private Sector Award 2010* (16 per cent), the *Children's Services Award 2010* (13 per cent), the *Social, Community, Home Care and Disability Services Industry Award 2010* (11 per cent) and the *Nurses Award 2010* (6 per cent).

Table 3.18: Modern awards most commonly used by award-reliant organisations in Health care and social assistance, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using this award	
	Health care and social assistance	All industries
	%	%
<i>Health Professionals and Support Services Award 2010</i>	46	3
<i>Clerks Private Sector Award 2010</i>	16	13
<i>Children's Services Award 2010</i>	13	1
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	11	1
<i>Nurses Award 2010</i>	6	1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B. Base = award-reliant organisations, cell percentages, weights by organisations (Weight A). Note: multiple awards can be used by each award-reliant organisation.

The full list of awards used in non-public sector organisations in this industry to set pay for their award-reliant employees is set out in Table F.4 in Appendix F.

3.3.3.4 Administrative and support services

A total of 30 modern awards were found to be used in the sampled non-public sector award-reliant organisations to set pay for their award-reliant employees. Table 3.19 shows the five modern awards used by the highest proportion of award-reliant organisations in this industry.

The *Cleaning Services Award 2010* was used to set pay by 61 per cent of non-public sector award-reliant organisations in this industry. The other awards most commonly used by award-reliant organisations in this industry were the *Clerks Private Sector Award 2010* (20 per cent), the *Building and Construction General On-site Award 2010* (7 per cent), the *Gardening and Landscaping Services Award 2010* (7 per cent) and the *Manufacturing and Associated Industries and Occupations Award 2010* (4 per cent). For three of these modern awards, these proportions were above the all industries average.

Table 3.19: Modern awards most commonly used by award-reliant organisations in Administrative and support services, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using this award	
	Administrative and support services	All industries
	%	%
<i>Cleaning Services Award 2010</i>	61	4
<i>Clerks Private Sector Award 2010</i>	20	13
<i>Building and Construction General On-site Award 2010</i>	7	7
<i>Gardening and Landscaping Services Award 2010</i>	7	3
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	4	5

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B Base = award-reliant organisations, cell percentages, weights by organisations (Weight A). Note: multiple awards can be used by each award-reliant organisation.

The full list of awards used in award-reliant organisations in this industry to set pay for their award-reliant employees is set out in Table F.5 in Appendix F.

3.3.3.5 Manufacturing

A total of 28 modern awards were found to be used in the sampled non-public sector organisations to set pay for their award-reliant employees. Table 3.20 shows the five modern awards used by the highest proportion of non-public sector award-reliant organisations in this industry. The *Manufacturing and Associated Industries and Occupations Award 2010* was used to set pay by 42 per cent of award-reliant organisations in this industry. The other awards most commonly used by organisations in this industry were the *Clerks Private Sector Award 2010* (17 per cent), the *Joinery and Building Trades Award 2010* (9 per cent), the *Food, Beverage and Tobacco Manufacturing Award 2010* (9 per cent) and the *Graphic Arts, Printing and Publishing Award 2010* (7 per cent). For each of these modern awards the proportions were above the all industries average.

Table 3.20: Modern awards most commonly used by organisations in Manufacturing, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using this award	
	Manufacturing	All industries
	%	%
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	42	5
<i>Clerks Private Sector Award 2010</i>	17	13
<i>Joinery and Building Trades Award 2010</i>	9	1
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	9	1
<i>Graphic Arts, Printing and Publishing Award 2010</i>	7	1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B. Base = award-reliant organisations, cell percentages, weights by organisations (Weight A). Note: multiple awards can be used by each award-reliant organisation.

The full list of awards used in non-public sector award-reliant organisations in this industry to set pay for their award-reliant employees is set out in Table F.6 in Appendix F.

3.4 Reasons for organisations using awards

This section examines the decision-making processes and factors that influence pay-setting arrangements in non-public sector organisations. The analysis builds upon previous qualitative and quantitative research either undertaken or commissioned by the Commission (or its predecessors) on wage-setting practices in Australia.⁴⁵ In particular, the findings in this section complement a second research project commissioned by the Commission also undertaken by the WRC on employer incentives to bargain.⁴⁶

Following on from why organisations paid award rates, four aspects of the decision-making process are considered. The first aspect is whether employers were able to identify any typical categories of award-reliant employees in their organisations. The second reports on the main reasons for award-reliant organisations paying award rates. Following this, the third aspect explores the reasons given by employers for moving employees onto pay rates that were higher than those specified in the relevant award/s. In the fourth section, findings on whether award-reliant organisations passed on minimum wage adjustments to other employees are reported. This section concludes with observations about associations between the degree of award reliance within organisations and indicators of business operations and performance.

3.4.1 Reasons for award reliance

Respondents from non-public sector award-reliant organisations were asked why their organisation sets pay rates at exactly the applicable rate specified in the award.⁴⁷ Respondents were able to provide multiple responses to this question.

Figure 3.1 sets out the main reasons provided by non-public sector award-reliant organisations for paying exactly the award rate. The most common responses were that award rates were appropriate

⁴⁵ In particular, Farmakis-Gamboni S, Rozenbes D and Yuen K (2012), *Award-reliant small businesses*, Research Report No. 1/2012, January, Fair Work Australia, Melbourne; and Evesson J and Oxenbridge S (2011), *Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne.

⁴⁶ Buchanan J et al. (2013), *Minimum wages and their role in the process and incentive to bargain*, Research Report 7/2013, December, Fair Work Commission, Melbourne.

⁴⁷ Question 17BA of the CATI Survey questionnaire.

or fair remuneration (27 per cent), award rates were affordable (21 per cent), organisations did not want to pay higher than the award rate (18 per cent), ease/simplicity or uncertainty about how much to pay above the award rate (15 per cent) and that it was common practice in the industry or sector to pay at award rates (12 per cent).

Figure 3.1: Reasons for award reliance, percentages by cell



Dataset: CATI datasets A & B. Questions: CATI Q15, Q17B. Base = Award-reliant organisations. Source: Award Reliance CATI Survey Question 17B, cell percentages, weights by organisations (Weight A).

Table F.7 in Appendix F presents data on the reasons for award reliance in the non-public sector by industry. The table shows that appropriate or fair remuneration was the most common or equal most common reason why organisations paid award rates of pay in: Accommodation and food services; Arts and recreation services; Construction; Education and training; Health care and social assistance; Manufacturing; Professional, scientific and technical services; Retail trade; and Other services.

Affordability was the most common or equal most common reason in: Administrative and support services, Health care and social assistance, Rental, hiring and real estate services and Transport, postal and warehousing.

Not wanting to pay more than the award rate was the most common reason in Wholesale trade and was also relatively common in: Accommodation and food services; Administrative and support services; Arts and recreation services; Construction; Retail trade; Transport, postal and warehousing and Other services.

Ease, simplicity or being unsure how much to pay above award rates was the most common reason in Public administration and safety and was relatively common in Education and training, Retail trade and Wholesale trade.

Common practice in industry/sector was relatively common in Construction (22 per cent) and Public administration and safety (16 per cent).

In addition, equity, fairness or transparency of wage-setting arrangements for paying award rates was relatively common in Education and training (18 per cent), Construction (13 per cent), Public administration and safety (13 per cent) and Transport, postal and warehousing (13 per cent).

Further, the perception of award reliance being a legal requirement was relatively common in Public administration and safety (16 per cent), Accommodation and food services (12 per cent) and Health care and social assistance (10 per cent).

Award reliance among probationary employees was most commonly cited by organisations in Rental, hiring and real estate services (11 per cent); Manufacturing (12 per cent); Professional, scientific and technical services (11 per cent); and Construction (8 per cent).

Client or funding body requirements was a relatively common reason provided by organisations in Administrative and support services (10 per cent), Arts and recreation services (10 per cent) and Education and training (9 per cent).

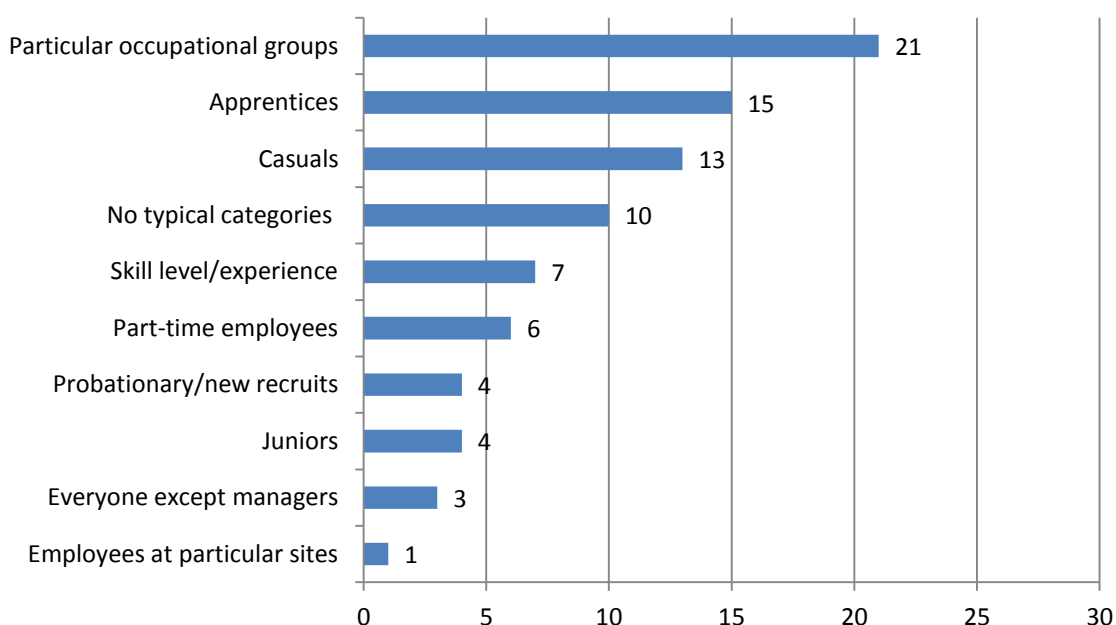
A preference to provide non-wage benefits (i.e. bonuses, incentives) was relatively common in Wholesale trade (7 per cent), Professional, scientific and technical services and Rental, hiring and real estate services industries (both 6 per cent).

3.4.2 Types of workers receiving award rates of pay

All non-public sector award-reliant organisations were asked whether their award-reliant employees shared certain characteristics or employment arrangements.⁴⁸ Multiple responses were allowed to cater for the possibility of there being more than one typical category of award-reliant employee in an organisation.

Figure 3.2 sets out the responses from award-reliant organisations about the categories of employees who are typically paid award rates. More than one-fifth (21 per cent) of non-public sector award-reliant organisations reported they paid award rates to employees in particular occupational groups. In addition, apprentices (15 per cent) and casuals (13 per cent) were commonly cited as typical categories of award-reliant employees. Around 10 per cent of respondents said that there were no typical categories of award-reliant employees in their organisations.

Figure 3.2: Typical categories of award-reliant employees, all award-reliant organisations, percentages by cell



Dataset: CATI datasets A & B. Questions: CATI Q15 & Q17A. Base = Award-reliant organisations. Source: Award Reliance CATI Survey Question 17A, cell percentages, weights by organisations (Weight A).

⁴⁸ Question 17A of the CATI Survey questionnaire.

Table F.8 in Appendix F sets out the distribution of responses to this question by industry. From this table it can be seen that paying award rates to particular occupation groups and casuals were most commonly cited as the typical categories of award-reliant employees in nine of the 18 industries. The industries with the highest proportion of respondents noting that they typically paid casuals at award rates were Wholesale trade (38 per cent), Manufacturing (29 per cent), Public administration and safety (28 per cent) and Arts and recreation services (28 per cent).

The most commonly cited reason for paying award rates in the Construction industry was to pay apprentices, with two-fifths (40 per cent) of all award-reliant organisations in this industry citing this as one of the reasons for paying award rates. Paying award rates to apprentices was also prevalent among award-reliant organisations in five other industries: Other services (38 per cent), Financial and insurance services (28 per cent), Electricity, gas, water and waste management (26 per cent), Manufacturing (25 per cent) and Mining (21 per cent).

The employment of juniors was one of the most commonly cited reasons to pay award rates by organisations in Financial and insurance services (30 per cent), Information media and telecommunications (28 per cent) and Professional, scientific and technical services (18 per cent).

One of the most commonly cited reasons for paying award rates in the Financial and insurance services industry (26 per cent) was to pay employees at particular skill levels or with certain experience. This reason was also cited by a relatively high proportion of award-reliant organisations in Wholesale trade (20 per cent), Information media and telecommunications (16 per cent) and Professional, scientific and technical services (15 per cent).

One of the most commonly cited reasons for paying award rates among award-reliant organisations in the Electricity, gas, water and waste services industry was related to probationary employees or new recruits. In this industry, over one-fifth (21 per cent) of award-reliant organisations cited this as one of the typical categories of award-reliant employees.

Respondents who said they typically paid award rates to particular occupation groups were asked to specify the occupation groups based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO) 2006. The responses to this question are set out in Figure 3.3. The most common occupations were Clerical and administrative workers (26 per cent), Labourers (25 per cent), Sales workers (15 per cent) and Food & beverage/hospitality workers (13 per cent).

Figure 3.3: Particular occupation groups that were typically award-reliant employees, percentages by cell



Dataset: CATI datasets A & B. Questions: CATI Q15 & Q17A coded responses. Base = Award-reliant organisations. Source: Award Reliance CATI Survey Question 17B, cell percentages, weights by organisations (Weight A).

3.4.3 Progression off award rates of pay

In order to gather data about why employers paid above award rates, respondents from non-public sector organisations with employees on over-award arrangements were asked about the reasons or circumstances that would lead their organisation to change the pay-setting arrangements of an award-reliant employee to above award rates of pay.⁴⁹ Respondents were able to provide multiple responses to this question.

Figure 3.4 sets out the responses to this question from award-reliant organisations that had employees on over-award arrangements. By far the most common reason reported for why an employee might progress off award rates was to reward performance, achievement or effort (43 per cent). The next most common reasons cited were if an employee took on additional responsibility or higher duties (20 per cent), to retain good employees or reward loyalty (16 per cent) and if an employee acquired new or additional skills (15 per cent).

⁴⁹ Question 20 of the CATI Survey questionnaire.

Figure 3.4: Reasons for progression off award rates of pay, all industries



Dataset: CATI datasets A & B. Questions: CATI Q15 & Q20. Base = Award-reliant organisations. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Weight A). Note: Multiple responses possible so rows do not add to 100 per cent. Responses of Historical reasons, No particular reason, Don't know, Refused and Other excluded as 1 per cent or less.

Tables F.9 to F.26 in Appendix F set out the responses by industry for this question. These tables show that rewarding performance, achievement or effort was the most common reason given for progression off award rates in all industries except for Public administration and safety. More than half of all organisations in Electricity, gas, water and waste services (64 per cent), Mining (62 per cent), Financial and insurance services (59 per cent), Transport, postal and warehousing (51 per cent) and Professional, scientific and technical services (50 per cent) gave this as the most common reason for employee progression off award rates. In Public administration and safety, the most common reason given for progression off award rates was when an employee took on additional responsibilities or higher duties (27 per cent).

3.4.4 Reasons for paying above award rates of pay

This section discusses some of the reasons that non-public sector organisations pay above award rates of pay, i.e. some of their employees are on over-award arrangements. The section separates organisations with enterprise agreements and organisations with other pay-setting arrangements.

3.4.4.1 Organisations with enterprise agreements

Respondents from non-public sector organisations with employees covered by a registered enterprise agreement were asked about why their organisation set pay rates using an enterprise agreement.⁵⁰ Respondents were able to provide multiple responses to this question.

⁵⁰ Question 18 of the CATI Survey questionnaire.

The reasons for paying above award rates are set out in Table 3.21. The most common reasons were that award rates were not considered to be suitable or flexible enough (24 per cent), because paying above award rates was a requirement or condition imposed by the client or funding body (21 per cent), because the applicable award rates were not competitive for attracting and retaining employees in the industry or sector (14 per cent), for payroll and/or rostering convenience (13 per cent), because a union had negotiated higher pay through an agreement (10 per cent) and for historical reasons (9 per cent).

Table 3.21: Reasons why award-reliant organisations use registered enterprise agreements to set wages by presence of award reliance in higher classification, percentages by cell

Reasons*	Percentage of organisations		
	Award-reliant organisations (%)	Whether award-reliant organisation has higher classification employees (%)	
		Yes	No
Award terms and conditions not suitable or flexible enough for organisation	24	24	22
Client/funding body requirement	21	16	31
Applicable award wages are not competitive for attracting and retaining workers in our industry/sector	14	17	6
For payroll and/or rostering convenience	13	9	9
Union negotiated agreement	10	12	7
Historical reasons (i.e. it's been done this way for a while)	9	7	11
Common industry practice/standard	8	9	11
Prefer to negotiate directly with our employees	7	4	14
Applicable award wages are not competitive for attracting and retaining workers in our local area	6	5	-
Want to reward employees with higher wage than award rates	5	5	2
Some employees/jobs performed are not covered by an award ('award-free')	5	4	4
Equity/fairness/transparency of wage-setting arrangements across the workplace	4	1	2
Head office/franchisor requirement (i.e. no choice of wage-setting practice)	4	-	5
No particular reason	1	1	-
Other	6	6	9
Don't know/Refused	3	6	-

Dataset: CATI datasets A & B cross-tabulated with detailed award wages dataset C. Questions: CATI Q15 & Q18, OL Q7. Base = award-reliant organisations who pay some employees 'above award', cell percentages, weights by organisations (Weight C). *Multiple responses possible so columns do not add to 100 per cent.

3.4.4.2 Organisations with other pay-setting arrangements

Respondents from non-public sector organisations with employees covered by individual contracts or on over-award arrangements were asked why their organisation set wages above the applicable award rate for these employees.⁵¹ Respondents were able to provide multiple responses.

Table 3.22 provides the responses to this question. Wanting to reward employees with higher wages was the most common response (40 per cent), followed by applicable rates not being competitive for attracting and retaining employees in the industry or sector (39 per cent). Other reasons included as a result of an employee's particular skills, responsibilities or role (25 per cent), because applicable rates were not deemed competitive for attraction and retention in the local area (14 per cent) and because some employees/jobs performed are not covered by an award (10 per cent).

Table 3.22: Reasons why award-reliant organisations set wages over the applicable rate for some employees, by higher classification, percentages by cell

Reasons*	Percentage of organisations		
	Award-reliant organisations (%)	Whether award-reliant organisation has higher classification employees (%)	
		Yes	No
Want to reward employees with higher wage than award rates	40	32	45
Applicable award wages are not competitive for attracting and retaining workers in our industry/sector	39	34	35
Skills/responsibilities/role	25	32	26
Applicable award wages are not competitive for attracting and retaining workers in our local area	14	15	12
Some employees/jobs performed are not covered by an award ('award-free')	10	10	12
Award terms and conditions not suitable or flexible enough for organisation	10	9	9
Prefer to negotiate directly with our employees	8	9	6
Historical reasons (i.e. it's been done this way for a while)	3	5	3
For payroll and/or rostering convenience	1	1	2
Client/funding body requirement	<1	1	<1
Head office/franchisor requirement (i.e. no choice of wage-setting practice)	<1	1	<1
No particular reason	2	1	1
Other	1	1	2
Don't know/Refused	1	1	2

Dataset: CATI datasets A & B cross-tabulated with detailed award wages dataset C. Question/s: CATI Q15 & Q19, OL Q7. Base = Award-reliant organisations who pay some employees 'over-award', Source: CATI Survey Question 18, cell percentages, weights by organisations (Weight C). *Multiple responses possible so columns do not add to 100 per cent.

⁵¹ Question 19 of the CATI Survey questionnaire

The findings from the Award Reliance Survey are consistent with insights gained from similar research on this subject. For example, case study research on the effects of minimum-wage setting at the enterprise level was undertaken by Evesson et al.⁵² They found employers in 12 of 20 case study enterprises paid over-award rates, with these over-award arrangements made in recognition of two main employment imperatives: recruiting skilled staff in short supply whose market value exceeded that of the relevant award, or retaining and rewarding staff in low-paid positions who brought value to the enterprise.⁵³ Over-award arrangements were also used by some case study enterprises to provide them with greater flexibility to roster staff across unsociable hours of work.⁵⁴ Evesson et al. also found that most people who had favourable options within the labour market were already earning over-award rates.⁵⁵

3.4.5 Passing on minimum wage adjustments

Award-reliant organisations in the non-public sector were asked whether they passed on the *Annual Wage Review 2011–12* decision⁵⁶ to increase minimum wages by 2.9 per cent to any of their employees on over-award arrangements.⁵⁷ The responses set out in Table 3.23 show that 24 per cent of award-reliant organisations in the non-public sector with employees on over-award arrangements passed on the adjustment to more than half of these employees, six per cent passed on the adjustment to up to half of these employees and 70 per cent did not pass on the adjustment.

Organisations in Information media and telecommunications; Mining; and Public administration and safety were more likely to pass on the minimum wage adjustment. Organisations in these industries were also more likely to pass on the minimum wage adjustment than the all industries average (24 per cent). Construction and Professional, scientific and technical services had the lowest proportion of organisations that passed on the minimum wage adjustment.

⁵² Evesson J and Oxenbridge S (2011), *Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne.

⁵³ Evesson J and Oxenbridge S (2011), *Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne, p. 55.

⁵⁴ Evesson J and Oxenbridge S (2011), *Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne, p. 55.

⁵⁵ Evesson J and Oxenbridge S (2011), *Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne, p. 91.

⁵⁶ *Annual Wage Review 2011–12* decision, [2012] FWAFB 5000 (1 June 2012).

⁵⁷ Question 21 of the CATI Survey questionnaire.

Table 3.23: Incidence of annual minimum wage adjustments being passed on to employees on over-award arrangements in award-reliant organisations by industry, percentages by row

	Percentage of award-reliant organisations with employees on over-award arrangements who received minimum wage adjustment			Total
	None	Up to half of over-award employees	More than half of over-award employees	
Information media and telecommunications	44	25	31	100
Mining	46	0	54	100
Public administration and safety	49	9	42	100
Education and training	52	9	39	100
Manufacturing	58	12	30	100
Retail trade	59	11	30	100
Electricity, gas, water and waste services	61	0	39	100
Transport, postal and warehousing	61	5	34	100
Rental, hiring and real estate services	63	8	29	100
Financial and insurance services	65	8	27	100
Wholesale trade	66	14	20	100
Accommodation and food services	67	6	27	100
Administrative and support services	70	6	24	100
Other services	70	1	29	100
Arts and recreation services	72	4	24	100
Health care and social assistance	73	5	22	100
Professional, scientific and technical services	88	8	4	100
Construction	89	2	9	100
All industries	70	6	24	100

Dataset: CATI datasets A & B. Question/s: CATI Q6, Q7, Q8, Q15 & Q21, OL Q3 & Q7. Base = Award-reliant organisations with 'over-award' employees. Source: CATI Question 21, percentages by cell, weights by organisations (Weight A). Note: Responses of Don't know/Refused were excluded.

The proportion of non-public sector organisations that passed on the minimum wage adjustment to employees on over-award arrangements by organisation size is presented in Table 3.24. This table indicates that smaller award-reliant organisations were less likely to pass on the annual minimum wage adjustment than larger organisations. A higher proportion of award-reliant micro organisations (85 per cent) did not pass on the minimum wage adjustment to employees on over-award arrangements, while 54 per cent of award-reliant large organisations did not pass on the minimum wage adjustment.

Relative to other non-public sector award-reliant organisations, large award-reliant organisations were more likely to pass on the minimum wage adjustment to up to half of employees on over-award arrangements (17 per cent) and medium award-reliant organisations were more likely to pass on the minimum wage adjustment to over half of employees on over-award arrangements (33 per cent).

Table 3.24: Incidence of annual minimum wage adjustments being passed on to over-award employees in award-reliant organisations by size of organisation, percentages by row

Organisation size	Percentage of award-reliant organisations with employees on over-award arrangements receiving minimum wage adjustment			Total
	None	Up to half of over-award employees	More than half of over-award employees	
Micro	85	1	14	100
Small	63	8	29	100
Medium	56	11	33	100
Large	54	17	29	100
All organisations	70	6	24	100

Dataset: CATI datasets A & B. Question/s: CATI Q8, Q15 & Q21. Base = Award-reliant organisations with 'over-award' employees, percentages by cell, weights by organisations (Weight A). Note: Responses of Don't know/Refused were excluded.

Table 3.25 shows that there is less variation in the incidence of annual minimum wage adjustments being passed on to over-award employees in non-public sector award-reliant organisations by location. Minimum wage adjustments were passed on to 32 per cent of organisations in regional/rural locations and 30 per cent of organisations in metropolitan locations. Minimum wage adjustments were not passed on to around 93 per cent of employees in organisations in both metropolitan and regional/rural locations.

Table 3.25: Incidence of annual minimum wage adjustments being passed on to over-award employees in award-reliant organisations by location, percentages by row

Location	Percentage of award-reliant organisations with employees on over-award arrangements receiving minimum wage adjustment			Total
	None	Up to half of over-award employees	More than half of over-award employees	
Metropolitan	70	6	24	100
Regional/Rural	68	7	25	100
Both metropolitan and regional/rural	93	2	5	100
All locations	70	6	24	100

Dataset: CATI datasets A & B. Question/s: CATI Q8, Q11, Q12, Q13, Q15 & Q21. Base: Award-reliant organisations with 'over-award' employees, percentages by cell, weights by organisations (Weight A). Note: Responses of Don't know/Refused were excluded.

The above findings were consistent with findings reported in similar research. For example, Evesson et al. found 10 of the 20 case study enterprises examined paid a wage increase to all or some employees earning above the award rate in the organisation between the first and second phases of the study (during which time, a minimum wage decision was handed down).⁵⁸ Seven of the case

⁵⁸ Evesson J and Oxenbridge S (2011), *Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne, p. 55.

study enterprises examined directly passed the minimum wages increase (either the full amount of the increase, or a higher amount) on to over-award recipients.⁵⁹ In addition, Evesson et al. found that 18 of the 20 case study employers interviewed had applied the minimum wage increase arising from the *Annual Wage Review 2009–10* decision.⁶⁰ These findings provide important evidence that developments in awards were relevant to a considerable proportion of employees who were on over-award arrangements. Based on these findings, over-award employees may be considered as workers whose pay is 'related to' or 'indirectly' award-reliant'.

3.5 Business characteristics

A limitation of micro firm level data collected in Australia is the lack of data collected on the business performance and operation of award-reliant organisations. The ABS' *Business Longitudinal Database*⁶¹ collected information on various indicators of business performance that could be cross-tabulated by method of setting pay. However, the variable for method of setting pay was omitted in more recent releases, preventing any further analysis of award-reliant businesses.

Award-reliant organisations were asked a series of questions related to the performance and operation of their organisation. It is important to note that similar data was not collected from organisations that were not award-reliant. For this reason, no comparison could be made between the characteristics in award-reliant and non award-reliant organisations. As such, it is unclear whether the characteristics noted in the following sections are primarily associated with the industry and size characteristics of award-reliant organisations as opposed to their status as being award-reliant organisations per se.

This section examines these business characteristics of non-public sector award-reliant organisations across the five largest award-reliant industries according to the ABS EEH 2012 Survey.⁶² These industries are Retail trade, Administrative and support services, Accommodation and food services, Health care and social assistance and Manufacturing.

The degree of award reliance by business characteristics was also captured. Unlike the *Business Longitudinal Database*, data on the performance and operation of an organisation was able to be examined by the proportion of award-reliant employees working within an organisation. Low, medium and high levels of award reliance are defined respectively as less than one-quarter of employees award-reliant, between one- and three-quarters of employees award-reliant and more than three-quarters of employees award-reliant.

The questions in the CATI survey collected information on the following business indicators:

- business performance (i.e. profit/loss and employment contraction/expansion);
- sources of revenue (i.e. general consumer, other businesses or government as well as geographic location of organisations' markets);
- key labour factors shaping organisations' operations (i.e. labour costs as a proportion of total costs and degree of skill shortage/excess labour impacting on them); and
- information on years and hours of operation.

⁵⁹ Evesson J and Oxenbridge S (2011), *Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne, p. vii.

⁶⁰ Evesson J and Oxenbridge S (2011), *Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne, p. xiii.

⁶¹ ABS Catalogue 8168.0.55.001, *Business Longitudinal Database 2004–05, 2005–06 and 2006–07*.

⁶² ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

It is important to consider that business characteristics can be affected by current business conditions and the economic cycle. Therefore, the results presented in this section should be used with caution, as they refer only to the time period of the surveys and not more generally. It is difficult, therefore, to make any observations about the connections between award reliance and business characteristics.

The first section presents an overview of the performance and operation of non-public sector award-reliant organisations operating in all industries. Drawing on the same information collected, sections two through to six provide a summary on the business characteristics of award-reliant organisations operating in the five largest award-reliant industries.

3.5.1 All industries

Table 3.26 (below) presents the business characteristics across all non-public sector award-reliant organisations by the proportion of award-reliant employees in the organisation across all industries. The characteristics relate to business operation and performance and are described in turn.

3.5.1.1 Business operation

Award-reliant organisations were asked to specify the number of years the business had operated under its current ownership. The data show that across all award-reliant organisations, most businesses had operated for more than five years. Organisations that had more than three-quarters of their workforce award-reliant had a higher proportion of businesses operating between two years and less than five years (16 per cent), relative to other award-reliant organisations.

Data were also collected on hours of operation, where standard hours were considered to be up to 50 hours per week from Monday to Friday. Although a majority of award-reliant organisations operated outside standard operating hours, a higher proportion of award-reliant organisations with more than three-quarters of their workforce award-reliant operated during these hours (73 per cent) than did other organisations.

Respondents were also asked to describe the market in which the business operates. A higher proportion of organisations that had more than three-quarters of their workforce award-reliant operated in the local area only (81 per cent), relative to award-reliant organisations that had between one-quarter and up to three-quarters of their workforce award-reliant (66 per cent) and organisations that had less than one-quarter of their workforce award-reliant (43 per cent). More than half of organisations that had less than one-quarter of their workforce award-reliant had operated in both markets (53 per cent), compared with 30 per cent of organisations that had employed between one-quarter and three-quarters of award-reliant employees.

3.5.1.2 Business performance

Respondents were asked to identify the main source of revenue or funding for their business in the 2011–12 financial year. A relatively high proportion of organisations with more than three-quarters of their workforce award-reliant responded that their main source of revenue was from the general public (73 per cent). This was followed by organisations that had between one-quarter and three-quarters of their workforce award-reliant (62 per cent). Among organisations with less than one-quarter of their workforce award-reliant, 46 per cent stated that their main source of revenue or funding was derived from the general public, while 44 per cent responded that their main source of revenue was derived from other businesses/organisations, with a higher proportion deriving revenue from small- or medium-sized organisations (28 per cent) than large organisations (16 per cent).

Respondents were asked whether the business had made a gross profit or surplus in the 2011–12 financial year. The data suggest that regardless of the proportion of their award-reliant workforce, a

majority of organisations recorded a profit/surplus in the 2011–12 financial year. However, a higher proportion of organisations that had less than one-quarter of their workforce award-reliant recorded a profit/surplus (78 per cent) than organisations with between one-quarter and up to three-quarters of their workforce award-reliant (68 per cent) and organisations that had more than three-quarters of their workforce award-reliant (64 per cent). Also, a lower proportion of organisations that had less than one-quarter of their workforce award-reliant recorded a loss/deficit (13 per cent) than organisations that had between one-quarter and up to three-quarters of their workforce award-reliant (23 per cent) and organisations that had more than three-quarters of their workforce award-reliant (25 per cent).

The data show that across all award-reliant organisations, around 30 per cent of businesses reported between 25 per cent and less than 50 per cent of their operating expenses comprised labour costs. Organisations that had more than three-quarters of their workforce award-reliant had a higher proportion of businesses reporting less than 25 per cent of operating expenses (19 per cent), while organisations that had less than one-quarter of their workforce award-reliant, had a higher proportion of businesses reporting between 50 per cent and less than 75 per cent of their operating expenses comprising labour costs (25 per cent). Relative to other survey questions, a high proportion of businesses reported that they did not know this information or refused to respond (around 30 per cent across all organisations).

Respondents were asked to identify whether their employee workforce had increased, reduced or stayed the same compared with the same time last year. Similar responses were obtained for organisations that had between one-quarter and up to three-quarters of their workforce award-reliant and for business that had more than three-quarters of their workforce award-reliant. Based on this sample of award-reliant organisations, over half reported that their workforce had stayed the same (52 per cent and 56 per cent, respectively), while 25 per cent reported that their workforce had reduced and around 20 per cent reported that their workforce had increased.

For organisations that had less than one-quarter of their workforce award-reliant, a higher proportion reported that their workforce increased (36 per cent), while a lower proportion reported that their workforce had reduced (22 per cent) or stayed the same (42 per cent), relative to other award-reliant organisations.

Although a majority of award-reliant organisations reported that there was an adequate supply of labour, this was particularly high for organisations that had more than three-quarters of their workforce award-reliant (82 per cent), followed by organisations that had between one-quarter and up to three-quarters of their workforce award-reliant (79 per cent) and organisations that had less than one-quarter of their workforce award-reliant (63 per cent). Relative to other organisations, a higher proportion of organisations that had less than one-quarter of their workforce award-reliant cited a shortage of skilled workers (21 per cent) and a shortage of lower/unskilled workers (9 per cent).

Table 3.26: Business metrics across all award-reliant organisations, by degree of award reliance, percentage by column within metric

	Percentage of award-reliant organisations grouped by degree of award reliance		
	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to $\frac{3}{4}$	$\frac{3}{4}$ or more
Years of operation under current ownership			
Less than 1 year	2	4	3
1 year to less than 2 years	2	4	4
2 years to less than 5 years	6	12	16
More than 5 years	90	80	77
Don't know/Refused	0	0	0
Total	100	100	100
Hours of operation			
Standard operating hours [#]	42	38	27
Outside standard operating hours	58	62	73
Total	100	100	100
Profit/surplus in last financial year			
Profit/surplus	78	68	64
Loss/deficit	13	23	25
Did not operate	0	0	0
Don't know/Refused	9	9	10
Total	100	100	100
Geographic markets operating in			
Local only	43	66	81
Outside local area	4	4	3
Both	53	30	16
Total	100	100	100
Workforce expansion			
Increased	36	22	18
Reduced	22	25	25
Stayed the same	42	52	56
Don't know/Refused	0	0	1
Total	100	100	100
Labour costs as percentage of operating expenses			
Less than 25 per cent	13	14	19
Between 25 per cent and less than 50 per cent	30	31	29
Between 50 per cent and less than 75 per cent	25	18	14
More than 75 per cent	4	6	5
Don't know/Refused	28	31	33
Total	100	100	100
Main revenue stream			
The general public—consumers	46	62	73

	Percentage of award-reliant organisations grouped by degree of award reliance		
	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to $\frac{3}{4}$	$\frac{3}{4}$ or more
Small- or medium-sized organisations	28	23	13
Large organisations	16	10	8
Government organisations	7	3	5
Don't know/Refused	3	2	1
Total	100	100	100
Labour market conditions			
Adequate supply	63	79	82
Shortage of skilled workers only	21	15	10
Shortage of lower/unskilled workers only	9	2	3
Shortage at all skill levels	5	4	5
Don't know/Refused	1	0	0
Total	100	100	100

Dataset: CATI datasets A & B cross-tabulated with detailed award wages dataset C. Question/s: CATI Q23 to Q31, OL Q3 & Q7. Base = award-reliant organisations, percentages by column, weights by organisations (Weight C).

*Standard hours were considered to be up to 50 hours per week from Monday to Friday.

3.5.2 Accommodation and food services

This section examines the business characteristics in non-public sector award-reliant organisations in Accommodation and food services according to the proportion of award-reliant employees (see Appendix F, Table F.27 for data). The characteristics relate to business operation and performance.

3.5.2.1 Business operation

A lower proportion of award-reliant organisations in Accommodation and food services had been operating for more than five years under their current ownership than across all award-reliant organisations. However, a higher proportion of award-reliant organisations in Accommodation and food services had been operating for less than one year, or one year to less than two years, than all award-reliant organisations. Award-reliant organisations in Accommodation and food services with less than one-quarter of their workforce award-reliant reported the highest proportion to have operated for more than five years under the current ownership (84 per cent).

A higher proportion of award-reliant organisations in Accommodation and food services operated outside standard operating hours than all award-reliant organisations. All award-reliant organisations in Accommodation and food services with less than one-quarter of their workforce award-reliant reported that they operated outside standard operating hours.

Award-reliant organisations in Accommodation and food services were relatively more likely to operate in their local area only, compared with all award-reliant organisations. The highest proportion was for organisations with more than three-quarters of their workforce award-reliant. Award-reliant organisations in Accommodation and food services with less than one-quarter of their workforce award-reliant reported the lowest proportion operating in their local area only (84 per cent) and the highest proportion working in both the local area and outside the local area (11 per cent).

3.5.2.2 Business performance

A lower proportion of award-reliant organisations in Accommodation and food services reported that their workforce had increased and a higher proportion reported that their workforce stayed the same

compared with all award-reliant organisations. Across award-reliant organisations in Accommodation and food services, organisations with less than one-quarter of their workforce award-reliant reported a lower proportion of their workforce increasing (11 per cent) and a higher proportion of their workforce reducing (29 per cent).

A higher proportion of award-reliant organisations with less than one-quarter of their workforce award-reliant reported a loss/deficit for the last financial year compared with all award-reliant organisations with less than one-quarter of their workforce award-reliant. Award-reliant organisations in Accommodation and food services with less than one-quarter of their workforce award-reliant reported the highest proportion to have recorded a loss/deficit in the last financial year.

A higher proportion of award-reliant organisations in Accommodation and food services reported that labour costs represented between 25 per cent and less than 50 per cent of operating expenses compared with all award-reliant organisations. Award-reliant organisations in Accommodation and food services with more than three-quarters of their employees award-reliant reported that labour costs comprised less than 25 per cent of operating expenses (20 per cent) and a higher proportion of award-reliant organisations with less than one-quarter of their employees award-reliant reported that labour costs comprised between 50 per cent and less than 75 per cent of operating expenses (19 per cent).

The main revenue stream for award-reliant organisations in Accommodation and food services was more likely to be the general public or consumers compared with all award-reliant organisations. All award-reliant organisations in Accommodation and food services with less than one-quarter of their workforce award-reliant reported that their main revenue stream was the general public or consumers.

A relatively low proportion of award-reliant organisations with less than one-quarter of their employees award-reliant reported having adequate labour supply compared with all award-reliant organisations with less than one-quarter of their employees award-reliant. However, a relatively high proportion of these organisations, and award-reliant organisations in Accommodation and food services with between one-quarter and up to three-quarters of their workforce award-reliant reported a shortage of labour at all skill levels. A lower proportion of award-reliant organisations in Accommodation and food services with less than one-quarter of their workforce award-reliant increased their workforce.

The higher the degree of award reliance among organisations in Accommodation and food services, the higher the proportion reporting adequate labour supply, with award-reliant organisations with less than one-quarter of their employees award-reliant reporting a higher proportion of shortage of skilled workers only (22 per cent) and a shortage at all skill levels (29 per cent).

3.5.3 Retail trade

This section examines the business characteristics in non-public sector award-reliant organisations in Retail trade according to the proportion of award-reliant employees (see Appendix F, Table F.28 for data). The characteristics relate to business operation and performance.

3.5.3.1 Business operation

Award-reliant organisations in Retail trade reported similar findings to all award-reliant organisations for years of operating under current ownership. A higher proportion of award-reliant organisations in Retail trade operated outside standard operating hours than all award-reliant organisations across all degrees of award reliance. Also, more award-reliant organisations in Retail trade reported they operated in the local area only compared with all award-reliant organisations. However, as with all award-reliant organisations, the higher the degree of award reliance the higher the proportion reported operating in the local area only. A higher proportion of award-reliant organisations in Retail

trade with more than three-quarters of their employees award-reliant reported that they operated in the local area only (88 per cent), while award-reliant organisations in Retail trade with less than one-quarter of their employees award-reliant reported a higher proportion operating in both the local and outside areas (33 per cent).

3.5.3.2 Business performance

A higher proportion of award-reliant organisations in Retail trade with less than one-quarter of their employees award-reliant reported that their workforce stayed the same (47 per cent) and a lower proportion reported that their workforce reduced (16 per cent) than all award-reliant organisations with less than one-quarter of their employees award-reliant. However, for award-reliant organisations in Retail trade with more than three-quarters of their workforce award-reliant, a higher proportion reported that their workforce reduced (33 per cent) and a lower proportion reported that their workforce stayed the same (49 per cent) than for all award-reliant organisations with more than three-quarters of their employees being award-reliant.

Award-reliant organisations in Retail trade reported similar findings to all award-reliant organisations for whether a profit/surplus was recorded in the 2011–12 financial year. A higher proportion of award-reliant organisations in Retail trade with less than one-quarter of their workforce award-reliant reported a profit/surplus (81 per cent) and a lower proportion reported a loss/deficit (11 per cent) than other award-reliant organisations in Retail trade.

A higher proportion of award-reliant organisations in Retail trade with less than one-quarter of their employees award-reliant reported that their workforce increased (36 per cent) and a lower proportion reported that their workforce reduced (16 per cent) than other award-reliant organisations in Retail trade.

For labour costs, a higher proportion of award-reliant organisations in Retail trade across all degrees of award reliance reported that labour costs comprised less than 25 per cent of operating expenses and a lower proportion for all other labour cost categories compared with all award-reliant organisations. Among award-reliant organisations in Retail trade, organisations with more than three-quarters of their workforce award-reliant reported the highest proportion of labour costs comprising less than 25 per cent of operating expenses (38 per cent).

The main revenue stream for award-reliant organisations in Retail trade was the general public or consumers, and this was relatively high compared with all award-reliant organisations across all degrees of award reliance. As with all award-reliant organisations, a higher proportion of award-reliant organisations in Retail trade with more than three-quarters of their workforce award-reliant had the highest proportion with their main revenue stream from the general public or consumers (93 per cent). Award-reliant organisations in Retail trade with less than one-quarter of their workforce award-reliant reported the highest proportion where small- or medium-sized organisations were the main revenue stream (23 per cent).

A higher proportion of award-reliant organisations in Retail trade with less than one-quarter of their workforce award-reliant reported they had adequate labour supply (70 per cent) compared with all award-reliant organisations with less than one-quarter of their employees award-reliant. However, the opposite was the case for award-reliant organisations in Retail trade with between one-quarter and up to three-quarters of their employees award-reliant (71 per cent) and more than three-quarters of their employees award-reliant (75 per cent), with these organisations reporting a lower proportion of adequate labour supply and a higher proportion of a shortage of skilled workers only (19 per cent and 14 per cent, respectively).

3.5.4 Health care and social assistance

This section examines the business characteristics in non-public sector award-reliant organisations in Health care and social assistance according to the proportion of award-reliant employees (see Appendix F, Table F.29 for data). The characteristics relate to business operation and performance.

3.5.4.1 Business operation

Award-reliant organisations in Health care and social assistance with less than one-quarter of their employees award-reliant reported a lower proportion of operation under current ownership of more than five years (84 per cent) compared with the proportion for all award-reliant organisations with less than one-quarter of their employees award-reliant. However, for the other organisation types, a higher proportion was reported, with 88 per cent of award-reliant organisations in Health care and social assistance with between one-quarter and up to three-quarters operating for more than five years under the current ownership, and 85 per cent of award-reliant organisations in Health care and social assistance with more than three-quarters of their employees award-reliant.

Award-reliant organisations in Health care and social assistance with between one-quarter and up to three-quarters (56 per cent) and with more than three-quarters of their employees award-reliant (59 per cent) had a higher proportion reporting operating standard hours than for all award-reliant organisations with the respective degrees of award reliance. Among award-reliant organisations in Health care and social assistance, award-reliant organisations with less than one-quarter of their employees award-reliant reported the highest proportion working outside standard operating hours (57 per cent).

A higher proportion of award-reliant organisations in Health care and social assistance with less than one-quarter (80 per cent) and with between one-quarter and up to three-quarters (88 per cent) of their employees award-reliant reported they operated in local areas only than the respective organisations across all award-reliant organisations. Among award-reliant organisations in Health care and social assistance, organisations with less than one-quarter of their employees award-reliant reported a relatively high proportion of organisations operating in both local and outside areas (20 per cent).

3.5.4.2 Business performance

A lower proportion of award-reliant organisations in Health care and social assistance with more than three-quarters of their employees award-reliant reported a profit/surplus compared with other organisations in Health care and social assistance, however, the proportion that reported they did not know or refused to answer was relatively high (34 per cent).

A lower proportion of award-reliant organisations in Health care and social assistance reported that their workforce reduced and a higher proportion reported that their workforce stayed the same compared with all award-reliant organisations. Among award-reliant organisations in Health care and social assistance, organisations with less than one-quarter of their employees award-reliant reported a higher proportion of their workforce increasing (34 per cent) and a lower proportion of their workforce reducing (2 per cent) than other organisations in Health care and social assistance.

Compared with all award-reliant organisations with the same degree of award reliance, award-reliant organisations in Health care and social assistance with more than three-quarters of their workforce award-reliant had a relatively low proportion (1 per cent) that reported labour costs comprised less than 25 per cent of their operating expenses.

A higher proportion of award-reliant organisations in Health care and social assistance with less than one-quarter (79 per cent) and between one-quarter and three-quarters (78 per cent) of their

employees award-reliant reported that their main revenue stream was from the general public or consumers than all award-reliant organisations. However, this proportion was lower for award-reliant organisations in Health care and social assistance with more than three-quarters of their workforce award-reliant (63 per cent) compared with all award-reliant organisations.

Award-reliant organisations in Health care and social assistance with less than one-quarter (75 per cent) and between one-quarter and three-quarters (76 per cent) of their employees award-reliant were more likely to report adequate supply conditions compared with all award-reliant organisations and award-reliant organisations in Health care and social assistance with more than three-quarters of their employees award-reliant (68 per cent).

3.5.5 Administrative and support services

This section examines the business characteristics in non-public sector award-reliant organisations in Administrative and support services according to the proportion of award-reliant employees (see Appendix F, Table F.30 for data). The characteristics relate to business operation and performance.

3.5.5.1 Business operation

The data presented in Table F.30 show that across all award-reliant organisations operating within the industry, most businesses had operated for more than five years. However, some organisations that had more than one-quarter of their workforce award-reliant had reported being in operation for two years to less than five years (22 per cent for organisations that had between one-quarter and up to three-quarters of their workforce award-reliant and 18 per cent for organisations that had more than three-quarters of their workforce award-reliant). Organisations that had less than one-quarter of their workforce award-reliant, did not report operating less than five years.

Further, organisations that had between one-quarter and up to three-quarters of their workforce award-reliant had a higher proportion of businesses that had been in operation for two years to less than five years (22 per cent) than all award-reliant organisations with this degree of award reliance (12 per cent).

With regard to hours of operation, although a majority of award-reliant organisations within the industry operated outside standard operating hours, a higher proportion of organisations with more than one-quarter of their workforce award-reliant operated during these hours, than organisations with less than one-quarter of their workforce award-reliant.

The proportion of organisations that had between one-quarter and up to three-quarters of their workforce award-reliant working these hours (67 per cent) was higher than all award-reliant organisations (62 per cent), while the proportion of organisations that had more than three-quarters of their workforce award-reliant and were also operating during these hours (65 per cent) was lower than all award-reliant organisations (73 per cent).

A high proportion of organisations within the industry that operated in the local market contained a higher proportion of award-reliant workers (one-quarter or more). Organisations that had less than one-quarter of their workforce award-reliant had a higher proportion operating in both local markets and in markets outside their local area (73 per cent). This proportion was higher than all award-reliant organisations with this degree of award reliance (53 per cent).

3.5.5.2 Business performance

The main source of revenue or funding for organisations in Administrative and support services varied according to the proportion of award-reliant workers operating in the business. In organisations that had less than one-quarter of their workforce award-reliant, over half responded that their main source of revenue was from large organisations (54 per cent), which was above the proportion for all award-reliant organisations with this degree of award reliance (16 per cent). In organisations that had between one-quarter and up to three-quarters of their workforce award-reliant, similar proportions of organisations reported their main revenue stream across three main sources (the general public or consumers (31 per cent), small- or medium-sized organisations (33 per cent) and large organisations (34 per cent)). In organisations that had more than three-quarters of their workforce award-reliant, over half responded that their main source of revenue or funding was from small or medium sized organisations (53 per cent), which was above the proportion for all award-reliant organisations with this degree of award reliance (13 per cent).

A relatively high proportion of award-reliant organisations sampled within the industry made a profit or surplus in the 2011–12 financial year. The profit or surplus reported was above the proportion reported for all award-reliant organisations with this degree of award reliance. Organisations that had less than one-quarter of their workforce award-reliant reported the highest proportion of organisations recording a profit or surplus (87 per cent).

The data also show that for each award-reliant organisation type, over half of the organisations reported that more than 50 per cent of their operating expenses comprised labour costs. Around 30 per cent across each organisation type reported that labour costs comprised more than 75 per cent of operating expenses, above the proportion for all award-reliant industries of around 5 per cent.

Over half of the organisation types that had more than one-quarter of their workforce award-reliant reported that their workforce had stayed the same compared with the same time last year. For organisations that had less than one-quarter of their workforce award-reliant, 48 per cent reported that their workforce had stayed the same, while 38 per cent reported that their workforce had increased compared with the same time last year.

A higher proportion of organisations that had more than one-quarter of their workforce award-reliant reported a reduction in their workforce (around 30 per cent), compared with organisations that had less than one-quarter of their workforce award-reliant. A lower proportion of these organisations reported a reduction in their workforce (13 per cent), which was below the proportion reported for all award-reliant industries with this degree of award reliance (22 per cent).

Although a majority of award-reliant organisations reported that there was an adequate supply of labour, this was particularly high for organisations that had less than one-quarter of their workforce award-reliant (78 per cent) and organisations that had between one-quarter and up to three-quarters of their workforce award-reliant (79 per cent). For the proportion of organisations that had more than three-quarters of their workforce award-reliant the proportion was lower (65 per cent) and was below the proportion for all award-reliant organisations with this degree of award reliance (71 per cent).

Similar proportions of all award-reliant organisations reported a shortage of skilled workers (at around 11 per cent). For organisations that had more than three-quarters of their workforce award-reliant, a higher proportion reported a shortage of lower/unskilled workers (9 per cent) and shortage at all skill levels (12 per cent), which was above the proportion for all award-reliant organisations with this degree of award reliance (2 per cent and 7 per cent respectively).

3.5.6 Manufacturing

This section examines the business characteristics in non-public sector award-reliant organisations in Manufacturing according to the proportion of award-reliant employees (see Appendix F, Table F.31 for data). The characteristics relate to business operation and performance.

3.5.6.1 Business operation

The data presented in Table F.31 show that across all award-reliant organisations operating within the industry, most businesses had operated for more than five years. The proportion of organisations that had between one-quarter and up to three-quarters of their workforce award-reliant (87 per cent) and organisations that had more than three-quarters of their workforce award-reliant (81 per cent) was higher than for all award-reliant organisations with this degree of award reliance (80 per cent and 77 per cent, respectively).

A higher proportion of organisations within the industry that operated in the local market only had more than three-quarters of their workforce award-reliant (68 per cent), whereas organisations with lower proportions of award-reliant employees (less than one-quarter and between one-quarter and up to three-quarters) were more likely to operate in both local markets and in markets outside their local area (61 per cent and 64 per cent respectively). With regard to hours of operation, a majority of award-reliant organisations within the industry operated during standard operating hours.

3.5.6.2 Business performance

The main source of revenue or funding for organisations in Manufacturing varied according to the proportion of award-reliant workers operating in the organisation. In organisations that had more than three-quarters of their workforce award-reliant, a relatively higher proportion of these organisations (33 per cent) reported that their main source of revenue came from the general public, compared with other award-reliant organisations. However, over half of organisations that had between one-quarter and up to three-quarters of their workforce award-reliant (56 per cent) reported that their main revenue stream came from small- or medium-sized organisations. Equal proportions of organisations that had less than one-quarter of their workforce award-reliant (30 per cent) and organisations that had between one-quarter and up to three-quarters of their workforce award-reliant (30 per cent) reported that their main revenue stream came from large organisations. This figure was above the proportion reported across all award-reliant organisations with this degree of award reliance (16 per cent and 10 per cent respectively).

A higher proportion of organisations that had less than one-quarter of their workforce award-reliant (85 per cent) reported a profit/surplus in the 2011–12 financial year, compared with organisations that had between one-quarter and up to three-quarters of their workforce award-reliant (62 per cent) and organisations that had more than three-quarters of the organisation award-reliant (65 per cent). However, these results were similar to the proportion reported across all award-reliant organisations for the organisations with more than one-quarter of their workforce award-reliant.

The data also show that organisations that had more than three-quarters of the workforce award-reliant (21 per cent) had a higher proportion of organisations reporting that less than 25 per cent of their operating expenses comprised labour costs, compared with other award-reliant organisations. Conversely, organisations that had between one-quarter and up to three-quarters of their workforce award-reliant had a higher proportion of organisations reporting that between 50 per cent and less than 75 per cent of their operating expenses comprised labour costs (23 per cent), relative to other award-reliant organisations. Excluding proportions of award-reliant organisations that did not respond to the question or did not know, the highest proportions recorded across all award-reliant

organisations reported that between 25 per cent and less than 50 per cent of their operating expenses comprised labour costs.

Over half of the organisations that had more than three-quarters of their workforce award-reliant reported that their workforce had stayed the same compared with the same time last year (57 per cent). For organisations that had less than one-quarter of their workforce award-reliant, 40 per cent reported that their workforce had stayed the same, while 46 per cent of organisations that had between one-quarter to up to three-quarters of their workforce award-reliant reported that their workforce levels had not changed as well.

Similar proportions across all award-reliant organisations reported a reduction in their workforce (around 32 per cent). A higher proportion of organisations that had less than one-quarter of their workforce award-reliant (28 per cent) reported an increase in their workforce, while 12 per cent of organisations that had more than three-quarters of their workforce award-reliant reported an increase.

Although a majority of award-reliant organisations reported that there was an adequate supply of labour, this was particularly high for organisations that had between one-quarter and up to three-quarters of their workforce award-reliant (73 per cent), followed by organisations that had less than one-quarter of their workforce award-reliant (68 per cent). For organisations that had more than three-quarters of their workforce award-reliant, a smaller proportion (65 per cent) reported an adequate supply of labour, which was below the proportion reported across all award-reliant organisations with this degree of award reliance (75 per cent).

3.6 Conclusion

This chapter has provided one of the first analyses of award reliance at an organisation level. Results from the survey found that 25 per cent of non-public sector organisations employ at least one worker who receives the exact award rate of pay (award-reliant employee). A further 27 per cent of non-public sector organisations employed at least one worker with an arrangement that was, in some way, influenced by award rates.

Award reliance was higher among non-public sector organisations in Accommodation and food services and Retail trade and in medium and large organisations. Around half of award-reliant organisations in the non-public sector had more than three-quarters of their workforce award-reliant.

The most common reason for using award rates of pay was that they are considered by organisations to be appropriate or fair remuneration, followed by affordability. Organisations typically used award rates of pay for particular occupational groups, such as Clerical and administrative workers and Labourers. The most common reason that organisations cited for changing the pay-setting arrangement of an award-reliant employee to paying above award rates was to reward performance, achievement or effort in the employee performing their role.

The most common reasons for award-reliant organisations that also had enterprise agreements paying above award rates was because award terms and conditions were not suitable or flexible enough for the organisation, and that it was a client or funding body requirement. For award-reliant organisations that also used other pay-setting arrangements, the most common reasons for paying above award rates was to reward employees with higher wages than award rates and because the applicable award rate was not competitive for attracting and retaining workers. Most organisations with employees on over-award arrangements did not pass on the *Annual Wage Review 2011–12* minimum wage adjustment. However, for organisations that did pass on the minimum wage adjustment, a higher proportion of organisations responded that they passed it on to more than half of their over-award employees.

The business characteristics analysed in this report showed that most award-reliant organisations had operated for more than five years. While a majority of award-reliant organisations reported a profit or surplus, this proportion decreased with the degree of award reliance. A majority of award-reliant organisations also reported working outside standard operating hours, around 30 per cent of award-reliant organisations reported that between 25 per cent and less than 50 per cent of their operating expenses comprised labour costs, across all degrees of award reliance. Across organisations that had more than one-quarter of their workforce award-reliant, over half reported that their workforce had stayed the same compared with the same time last year. For businesses that had less than one-quarter of their workforce award-reliant, a higher proportion reported that their workforce had increased. Although a majority of award-reliant organisations reported that there was an adequate supply of labour, this was particularly high for organisations that had more than three-quarters of their workforce award-reliant.

Most organisations used only one modern award. For the five industries with the highest proportion of award-reliant employees according to the ABS EEH 2012 Survey,⁶³ these awards were the *Hospitality Industry (General) Award 2010* (Accommodation and food services), the *General Retail Industry Award 2010* (Retail trade), the *Health Professionals and Support Services Award 2010* (Health care and social assistance), the *Cleaning Services Award 2010* (Administrative and support services) and the *Manufacturing and Associated Industries and Occupations Award 2010* (Manufacturing).

⁶³ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

4 Award reliance among employees

In this study, award-reliant employees were identified by first establishing award-reliant organisations (detailed in Chapter 3). Award-reliant employees are defined as employees in non-public sector organisations who are paid the exact award rate and receive no payments over the amount in the applicable minimum wage instrument. In this report, award-reliant employees also include:

- employees who had their pay set by transitional minimum wage arrangements in modern awards;
- employees on individual arrangements but whose pay was set at exactly the applicable modern award rate; and
- employees who had their pay set by a non-registered enterprise agreement but who were paid at the exact applicable modern award rate.

Juniors, apprentices, trainees and employees paid under the supported wage system are also included and are discussed separately in Section 4.4.1.

Employees who had some or all of their conditions of employment set by an award, but were paid 'above' or 'over' the applicable modern award rate and employees who had pay set by a registered enterprise agreement—even if it was the same as the modern award rate—were excluded from the definition of award-reliant employees.

This chapter is set out as follows. Section 4.1 presents an overview of the chapter's findings. Section 4.2 presents findings on award reliance among all employees. Section 4.3 analyses the characteristics of all employees in award-reliant organisations. Section 4.4 discusses the characteristics of specific categories of award-reliant employees, including data on juniors, apprentices, trainees and employees paid under the supported wage system (Section 4.4.1) and is followed by a discussion of award-reliant employees in the five industries with the highest proportion of award-reliant employees according to the ABS EEH 2012 Survey⁶⁴ (Section 4.4.2). Section 4.5 provides a conclusion for this chapter.

4.1 Overview of findings

This report finds that 19 per cent of employees in the non-public sector survey population were award-reliant.

Award-reliant employees in the non-public sector were found to comprise a higher proportion in Accommodation and food services; Administrative and support services; Retail trade; and Arts and recreation services.

Award-reliant employees comprised a higher proportion of medium and small non-public sector organisations and in regional/rural organisations.

Of all employees in non-public sector award-reliant organisations, 51 per cent were found to be award-reliant. Award-reliant employees comprised a higher proportion of employees in non-public sector award-reliant organisations in Accommodation and food services and Administrative and support services; in micro organisations; in Tasmania; and in regional/rural locations.

Award-reliant employees in non-public sector organisations were more likely to be female, employed on a casual basis and working part-time hours. Most (75 per cent) adult award-reliant employees

⁶⁴ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

were receiving an hourly wage of less than \$18.60. Retail trade comprised the highest proportion of junior award-reliant employees, Construction comprised the highest proportion of apprentices and Health care and social assistance comprised the highest proportion of both trainees and employees paid under the supported wage system.

Among the five industries with a high proportion of award reliance, award-reliant employees were more likely to be female, employed on a casual basis, working part-time hours in Accommodation and food services and Retail trade; more likely to be female, employed on a permanent basis and working part-time hours in Health care and social assistance and Administrative and support services were; and more likely to be male, employed on a permanent basis and working full-time hours in Manufacturing.

4.2 Identifying award-reliant employees

This section presents data on pay-setting arrangements across all non-public sector employees. It is based on data collected from 4270 award-reliant organisations and 7264 organisations that were not award-reliant.

4.2.1 Distribution of employees by pay-setting arrangements across all non-public sector organisations covered by the national workplace relations system

As noted at the beginning of Chapter 3, the information on the number of award-reliant employees within an organisation was gathered through a two stage process. First, respondents from organisations were asked to report on the number of employees whose pay was set on the basis of enterprise agreements, awards or other arrangements. For employees falling into the latter two categories, information was collected on how many were paid exactly the award rate relevant to their job. As Table 4.1 shows respondents revealed that 40 per cent of employees were award-based. That is, these employees had their pay based on an award in some way. Further, 19 per cent of employees in non-public sector organisations were award-reliant. That is, they had their pay rate set exactly as specified in the award.

Table 4.1: Award-based and award-reliant pay-setting arrangements for employees, cell percentages

	Percentage of workforce by pay-setting arrangements		
	Award-based*	Award-reliant**	'Over-award'***
All employees	40	19	21

Dataset: CATI datasets A & B. Questions: CATI Q8, Q14B & Q15. Base = all employees, percentages by cell, weights by organisations (Employee weight A). *Award-based included award-reliant and other pay-setting arrangements where an award is used in some way to guide pay-setting decision. **Award-reliant was restricted to employees paid exactly the rate specified in the award. ***Organisations using 'over-award' arrangements was estimated by subtracting award reliance from 'award-based'.

Details of how award-based and award-reliant organisations are distributed by organisational size, industry and location are provided in Figures F.4 to F.6 in Appendix F.

4.2.2 The incidence of award reliance by organisation size in the survey population

Having distinguished award-reliant employees from those who are award-based, the following sections report on how award-reliant employees are distributed across the population of all non-public sector organisations covered by the national workplace relations system.

4.2.2.1 Incidence of award-reliant employees by organisation size

Table 4.2 reports on how award-reliant employees are distributed across the survey population by non-public sector organisations of different sizes. It reveals that while the largest proportion of award-reliant employees (36 per cent) work in large non-public sector organisations,⁶⁵ which is less than the proportion of all employees working in such organisations (40 per cent). Compared to their distribution in the entire survey population, employees in small and medium non-public sector organisations were more likely to be award-reliant. While employees in such organisations account for 46 per cent of all employees, 53 per cent of award-reliant employees work in organisations of this size.

Table 4.2: Incidence of award-reliant employees by organisation size, percentages by column

Organisation size	Percentage of employees	
	Award-reliant** employees	All employees
Micro	12	16
Small	29	26
Medium	24	20
Large	36	40
All employees	100	100

Dataset: CATI datasets A&B. Questions: CATI Q8 & Q15. Base = all employees. Weights by employees (Employee weight A).
**Award-reliant was restricted to employees paid exactly the rate specified in the award.

Table 4.3 reports on award-reliant employees as a proportion of the non-public sector workforce within each organisational size band. Across all organisations 19 per cent of employees are award-reliant. The proportion is lower in micro (14 per cent) and large (17 per cent) organisations. In small and medium organisations the proportions are slightly higher (21 and 23 per cent respectively).

Table 4.3: Incidence of award-reliant employees by organisation size, percentages by row

Organisation size	Percentage of employees		
	Award-reliant** employees	Non award-reliant employees	All employees
Micro	14	86	100
Small	21	79	100
Medium	23	77	100
Large	17	83	100
All employees	19	81	100

Dataset: CATI datasets A&B. Questions: CATI Q8 & Q15. Base = all employees. Weights by employees (Employee weight A).
**Award-reliant was restricted to employees paid exactly the rate specified in the award.

Figure F.4 in Appendix F provides details comparing the incidence of non-public sector award-based and award-reliant employees by organisation size. In micro organisations, 40 per cent of employees had award-based pay-setting arrangements and 14 per cent were award-reliant. In small organisations, 52 per cent of employees had award-based pay-setting arrangements and 21 per cent were award-reliant. In medium organisations, 45 per cent of employees used award-based pay-setting arrangements and 23 per cent were award-reliant. In large organisations, 29 per cent of employees had award-based pay-setting arrangements and 17 per cent were award-reliant.

⁶⁵ Organisations are defined by size as follows: micro (1–4 employees), small (5–19 employees), medium (20–99 employees), large (100 or more employees).

4.2.2.2 Incidence of award-reliant employees by industry

This section reports on how award-reliant employees within the non-public sector national workplace relations system are distributed by industry. Table 4.4 highlights how a small number of industries (5 out of 18) account for the majority (73 per cent) of award-reliant employees. These industries correspond to the top five award-reliant industries as identified by the ABS EEH 2012 Survey⁶⁶: Accommodation and food services; Retail trade; Health and social assistance; Administrative and support services; and Manufacturing.

Table 4.4: Incidence of award-reliant employees in selected industries, percentages by column

	Percentage of employees	
	Award-reliant** employees	All employees
Accommodation and food services	26	9
Retail trade	18	13
Health care and social assistance	10	10
Administrative and support services	16	8
Manufacturing	3	9
Sub-total	73	48
All other industries	27	52
All industries	100	100

Dataset: CATI datasets A&B. Questions: CATI Q6, Q7, Q8 & Q15. Base = all employees. Weights by employees (Employee weight A). **Award-reliant was restricted to employees paid exactly the rate specified in the award.

Table 4.5 details the distribution of award-reliant employees within each industry. It reveals that the industries with the greatest proportions of award-reliant employees are Accommodation and food services (54 per cent) and Administrative and support services (35 per cent), which compare with an All industries average of 19 per cent.

Table 4.5: Incidence of award-reliant employees in selected industries, percentages by row

	Award-reliant** employees	Non award-reliant employees	All employees
Accommodation and food services	54	46	100
Administrative and support services	35	65	100
Retail trade	27	73	100
Health care and social assistance	18	82	100
Manufacturing	7	93	100
All industries	19	81	100

Dataset: CATI datasets A&B. Questions: CATI Q6, Q7, Q8 & Q15. Base = all employees. Weights by employees (Employee weight A). **Award-reliant was restricted to employees paid exactly the rate specified in the award.

The data presented in Figure F.5 in Appendix F show that award-based pay-setting was highest in the same industries as those with the highest levels of employees who were award-reliant. For example, Accommodation and food services (67 per cent of employees were award-based and 54 per cent were award-reliant), Administrative and support services (57 per cent of employees were award-based and 35 per cent were award-reliant), Retail trade (54 per cent were award-based and 27 per

⁶⁶ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

cent were award-reliant) and Arts and Recreation Services (44 per cent of employees were award-based and 27 per cent award-reliant).

Almost half (46 per cent) of employees working in non-public sector organisations in regional and rural areas had award-based pay-setting arrangements and 23 per cent were award-reliant. For employees working in organisations located in metropolitan areas, 37 per cent had award-based pay-setting arrangements and 17 per cent were award-reliant (Figure F6).

In the analysis presented in Table 4.6, pay-setting arrangements are grouped as enterprise agreements (registered and unregistered), awards (award-reliant only) and other pay-setting arrangements (individual arrangements and over-award arrangements).⁶⁷ The award category is restricted to award-reliant pay, i.e. this category excludes over-award arrangements, and the enterprise agreements category combines both registered and unregistered enterprise agreements. The 'other pay-setting arrangements' category includes individual arrangements and 'over-award' arrangements.

Table 4.6 examines pay-setting arrangements of employees by the award-reliant status of the organisation. Over half of employees in award-reliant organisations were award-reliant, 11 per cent were covered by enterprise agreements and 38 per cent were covered by other pay-setting arrangements. Among employees in organisations that were not award-reliant, most (71 per cent) were covered by other pay-setting arrangements and 29 per cent were covered by enterprise agreements.

Table 4.6: Share of workforce by pay-setting arrangements by award-reliant status of organisations, percentages by row

	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise Agreement	Other pay-setting arrangements**	
Award-reliant organisations	51	11	38	100
Organisations that were not award-reliant	0	29	71	100
All organisations	19	22	59	100

Dataset: CATI datasets A & B. Questions: CATI Q14 & Q15. Base = all employees, percentages by cell, weights by employees (Employee weight A). *Award-reliant is restricted to employees paid exactly the rate specified in the award.

**Other pay-setting arrangements include 'over-award' arrangements and individual arrangements.

Table 4.7 presents the pay-setting arrangements in the non-public sector workforce by industry. Industries with their award-reliant workforce comprising a proportion above the average were Accommodation and food services (54 per cent), Administrative and support services (35 per cent), Retail trade (27 per cent) and Arts and recreation services (27 per cent).

Additionally, a number of industries had a lower proportion of their workforce on award rates and a higher proportion on enterprise agreements. These included Public administration and safety (48 per cent), Education and training (41 per cent), Health care and social assistance (40 per cent) and Electricity, gas, water and waste services (38 per cent).

Industries with a relatively large proportion of their workforce on other pay-setting arrangements included Professional, scientific and technical services (91 per cent), Financial and insurance services (91 per cent), Information media and telecommunications (79 per cent), and Rental, hiring and real estate services (78 per cent).

⁶⁷ Questions 14 and 15 of the CATI questionnaire.

Table 4.7: Share of workforce by pay-setting arrangements by industry, percentages by row

	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise Agreement	Other pay-setting arrangements**	
Accommodation and food services	54	16	30	100
Administrative and support services	35	14	51	100
Retail trade	27	22	52	100
Arts and recreation services	27	29	44	100
Public administration and safety	18	48	34	100
Health care and social assistance	18	40	42	100
Other services	15	14	71	100
Rental, hiring and real estate services	14	8	78	100
Education and training	14	41	45	100
Information media and telecommunications	13	8	79	100
Wholesale trade	12	16	72	100
Transport, postal and warehousing	10	35	56	100
Manufacturing	7	31	62	100
Construction	7	23	69	100
Electricity, gas, water and waste services	4	38	58	100
Professional, scientific and technical services	4	4	91	100
Financial and insurance services	3	6	91	100
Mining	1	45	54	100
All industries	19	22	59	100

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q8, Q15 & Q16. Base = all employees, percentages by cell, weights by employees (Employee weight A).

*Award-reliant is restricted to employees paid exactly the rate specified in the award. **Other pay-setting arrangements include 'over-award' arrangements and individual arrangements.

Table F.32 in Appendix F provides an expanded version of Table 4.7 and details the mix of pay-setting arrangements among employees by award-reliant status of their employing organisation by industry. In addition, Table F.32 in Appendix F provides a breakdown of the mix with each of the three pay-setting arrangements by the award status of their employing organisation within industries. Industries where the proportion of award-reliant employees in award-reliant organisations was above the all industries average of 51 per cent were Accommodation and food services (73 per cent); Administrative and support services (63 per cent); Public administration and safety (59 per cent); Arts and recreation services (55 per cent); and Education and training (52 per cent).

As shown in Table 4.8, data presented on organisation size reveal that medium-sized non-public sector organisations had a higher proportion of award-reliant employees (23 per cent) than other organisation sizes. Micro organisations had the lowest proportion of award reliance (14 per cent). Larger organisations were more likely than smaller organisations to have a higher proportion of their workforce covered by an enterprise agreement (42 per cent of the workforce was covered by this arrangement). While the category of other pay-setting arrangements was the most prevalent arrangement across all non-public sector organisation sizes (59 per cent), this was most common in micro organisations (83 per cent).

Table 4.8: Share of workforce by pay-setting arrangements by organisation size, percentages by row

Organisation size	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise Agreement	Other pay-setting arrangements**	
Micro	14	3	83	100
Small	21	6	73	100
Medium	23	20	58	100
Large	17	42	41	100
All organisations	19	22	59	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q15 & Q16. Base = all employees, percentages by cell, weights by employees (Employee weight A). *Award-reliant is restricted to employees paid exactly the rate specified in the award. **Other pay-setting arrangements include 'over-award' arrangements and individual arrangements.

Table F.33 in Appendix F supplements the data in Table 4.8 by providing a breakdown of the above information for employees in award-reliant organisations and organisations that were not award-reliant. The table shows that a higher proportion of employees in award-reliant micro (72 per cent) and small (60 per cent) organisations were award-reliant than for medium (54 per cent) and large (40 per cent) organisations.

When looking at the mix of the three pay-setting arrangements among the non-public sector workforce by state or territory, this survey finds that Tasmania had the highest proportion of award-reliant employees (28 per cent) and the Northern Territory had the lowest (seven per cent). In contrast, enterprise agreements covered the largest proportion of the workforce in the Northern Territory (27 per cent) and the lowest in New South Wales (18 per cent) (Table 4.9). The use of other pay-setting arrangements (including individual arrangements and over-award arrangements) were most common for employees in the Northern Territory (67 per cent), the Australian Capital Territory (64 per cent) and Western Australia (63 per cent).

Table 4.9: Share of workforce by pay-setting arrangements by state or territory, percentages by row

	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise Agreement	Other pay-setting arrangement**	
New South Wales	21	18	61	100
Victoria	18	23	59	100
Queensland	19	24	57	100
Western Australia	11	26	63	100
South Australia	22	25	53	100
Tasmania	28	26	46	100
Northern Territory	7	27	67	100
Australian Capital Territory	18	19	64	100
All states and territories	19	22	59	100

Dataset: CATI datasets A & B. Questions: CATI Q10, Q8 & Q15. Base = all employees, percentages by cell, weights by employees (Employee weight A). *Award-reliant is restricted to employees paid exactly the rate specified in the award.

**Other pay-setting arrangements include 'over-award' arrangements and individual arrangements.

Table F.34 in Appendix F provides an expanded version of Table 4.9, containing additional details on the mix of the three pay-setting arrangements for employees in award-reliant organisations and organisations that were not award-reliant for each state and territory. The highest proportion of award-reliant employees in award-reliant organisations was in Tasmania (74 per cent), followed by New South Wales and Victoria (both 51 per cent).

When looking at pay-setting arrangements by location (Table 4.10), there was a higher proportion of award reliance among employees working in non-public sector organisations located in regional/rural areas (23 per cent) compared to metropolitan locations (17 per cent). Conversely, employees covered by other pay-setting arrangements were more common among non-public sector organisations in metropolitan locations (63 per cent) than organisations in regional/rural locations (54 per cent). Non-public sector organisations in both metropolitan and regional/rural locations had the lowest proportion of award-reliant employees (13 per cent) and the highest proportion of employees covered by enterprise agreements (44 per cent).

Table 4.10: Share of workforce by pay-setting arrangements by location, percentages by row

Location	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise Agreement	Other pay-setting arrangements**	
Metropolitan	17	20	63	100
Regional/rural	23	23	54	100
Both metropolitan and regional/rural	13	44	43	100
All locations	19	22	59	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q11, Q12, Q13, Q15 & Q16. Base = all employees, percentages by cell, weights by employees (Employee weight A). * Award-reliant is restricted to employees paid exactly the rate specified in the award. ** Other pay-setting arrangements include 'over-award' arrangements and individual arrangements.

Note: Responses of Don't know for Location not reported separately but included in All locations.

Table F.35 in Appendix F supplements the data in Table 4.10 by providing a breakdown of the above information for employees in award-reliant organisations and organisations that were not award-reliant. A higher proportion of employees in award-reliant organisations in regional/rural locations were award-reliant (58 per cent) than in award-reliant organisations in metropolitan locations (48 per cent) and in award-reliant organisations in both metropolitan and regional/rural locations (28 per cent).

4.3 Characteristics of employees in award-reliant organisations

This section describes the employees in award-reliant organisations to determine the characteristics of employees working for non-public sector organisations that employ award-reliant workers. The section describes employees on all types of pay-setting arrangements, not only award-reliant employees.

Table 4.11 sets out the mix of the non-public sector workforce in award-reliant organisations covered by awards, enterprise agreements and other pay-setting arrangements.⁶⁸ In this table, the award category was restricted to pay at exactly the award rate, i.e. the category excluded over-award arrangements. The enterprise agreements category combined both registered and unregistered enterprise agreements. The other pay-setting category included individual arrangements and over-award arrangements.

The table shows that across all award-reliant organisations in the non-public sector, 51 per cent of employees were award-reliant, 11 per cent had their pay set by enterprise agreements and 38 per cent were covered by other pay-setting arrangements.

The highest proportion of award-reliant employees was found among award-reliant organisations in Accommodation and food services, where almost three-quarters (73 per cent) of workers were award-reliant. Other industries that had a higher than average proportion of award-reliant employees in award-reliant organisations were Administrative and support services (63 per cent), Public administration and safety (56 per cent), Arts and recreation services (55 per cent) and Education and training (52 per cent). Retail trade (48 per cent) and Health care and social assistance (48 per cent) also had relatively high proportions of award-reliant employees in award-reliant organisations, yet this was below the all industries average.

The lowest proportion of award-reliant employees working in award-reliant organisations was in Electricity, gas, water and waste services (11 per cent), where over two-thirds (69 per cent) of the workforce were covered by other pay-setting arrangements.

In award-reliant organisations also using enterprise agreements, the industries with the highest proportion of employees covered by enterprise agreements were Transport, postal and warehousing (31 per cent), Health care and social assistance (28 per cent) and Arts and recreation services (24 per cent).

The industries with the highest proportion of employees in award-reliant organisations who were covered by other pay-setting arrangements were Financial and insurance services (77 per cent), Mining (76 per cent), Professional, scientific and technical services (72 per cent) and Information media and telecommunications (70 per cent).

⁶⁸ Questions 14 and 15 of the CATI questionnaire.

Table 4.11: Share of workforce by pay-setting arrangements within award-reliant workforce, within industry, percentages by row

	Percentage of award-reliant workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise Agreement	Other pay-setting arrangements**	
Accommodation and food services	73	7	20	100
Administrative and support services	63	8	29	100
Public administration and safety	56	19	25	100
Arts and recreation services	55	24	21	100
Education and training	52	14	35	100
Health care and social assistance	48	28	25	100
Retail trade	48	11	41	100
Construction	43	8	49	100
Other services	43	4	53	100
Rental, hiring and real estate services	42	3	55	100
Wholesale trade	39	8	53	100
Manufacturing	35	7	57	100
Transport, postal and warehousing	34	31	35	100
Professional, scientific and technical services	28	0	72	100
Mining	24	0	76	100
Financial and insurance services	23	0	77	100
Information media and telecommunications	23	7	70	100
Electricity, gas, water and waste services	11	20	69	100
All industries	51	11	38	100

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q8, Q15 & Q16. Base = employees in award-reliant organisations, percentages by cell, weights by employees (Employee weight A). *Award-reliant is restricted to employees paid exactly the rate specified in the award. **Other pay-setting arrangements include 'over-award' arrangements and individual arrangements.

Table 4.12 indicates that award reliance in the non-public sector appeared to be linked to organisation size, with smaller organisations more likely to have award-reliant employees. Micro organisations had the highest proportion of award-reliant employees in award-reliant organisations (72 per cent) and the lowest proportion covered by other pay-setting arrangements (27 per cent). Large organisations had the lowest proportion of award-reliant employees in award-reliant organisations (40 per cent) and the highest proportion covered by enterprise agreements (22 per cent).

Table 4.12: Share of workforce by pay-setting arrangements and organisation size, award-reliant organisations only, percentages by row

Organisation size	Percentage of award-reliant workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise Agreement	Other pay-setting arrangements**	
Micro	72	1	27	100
Small	60	1	39	100
Medium	54	5	41	100
Large	40	22	38	100
All organisations	51	11	38	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q14 & Q15. Base = employees in award-reliant organisations, percentages by cell, weights by employees (Employee weight A). *Award-reliant is restricted to employees paid exactly the rate specified in the award. **Other pay-setting arrangements include 'over-award' arrangements and individual arrangements.

Table 4.13 shows that the proportion of employees who were covered by awards was highest for non-public sector award-reliant organisations in Tasmania (74 per cent) and the Australian Capital Territory (52 per cent). It was lowest in award-reliant organisations in the Northern Territory (40 per cent) and South Australia (45 per cent).

Table 4.13: Share of workforce by pay-setting arrangements and state or territory, award-reliant organisations only, percentages by row

State or territory	Percentage of award-reliant workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise Agreement	Other pay-setting arrangements**	
New South Wales	51	9	40	100
Victoria	51	13	36	100
Queensland	49	13	38	100
Western Australia	48	14	38	100
South Australia	45	15	40	100
Tasmania	74	2	25	100
Northern Territory	40	6	54	100
Australian Capital Territory	52	9	39	100
All states and territories	51	11	38	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q10, Q15 & Q16. Base = employees in award-reliant organisations, percentages by cell, weights by employees (Employee weight A). *Award-reliant is restricted to employees paid exactly the rate specified in the award. **Other pay-setting arrangements include 'over-award' arrangements and individual arrangements.

Table 4.14 shows the distribution of the award-reliant workforce by location. It indicates that the proportion of the non-public sector award-reliant workforce was slightly lower in award-reliant organisations in metropolitan locations (48 per cent) compared with those in regional/rural locations (58 per cent).

Table 4.14: Share of workforce by pay-setting arrangements and state or territory, award-reliant organisations only, percentages by row

Location	Percentage of award-reliant workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise Agreement	Other pay-setting arrangements**	
Metropolitan	48	11	40	100
Regional/Rural	58	8	34	100
Both metropolitan and regional/rural	28	29	42	100
All locations	51	11	38	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q11, Q12, Q13, Q15 & Q16. Base = employees in award-reliant organisations, percentages by cell, weights by employees (Employee weight A). *Award-reliant is restricted to employees paid exactly the rate specified in the award. **Other pay-setting arrangements include 'over-award' arrangements and individual arrangements. Note: Responses of Don't know for Location not reported separately but included in All Locations.

Table 4.15 sets out the distribution of non-public sector award-reliant employees on the basis of organisation size and location by industry. From this table we can see that across all industries, 52 per cent of award-reliant employees in metropolitan locations were employed in large organisations, compared with 28 per cent of award-reliant employees in regional locations. However, at the industry level, the distribution of award-reliant employees was not consistently higher or lower in either metropolitan or regional/rural locations. This is likely due to the location of industries. For example, since mining companies were typically situated in regional/rural locations, no award-reliant employees in the mining industry were located in metropolitan locations.

When looking at organisation size, 45 per cent of all employees were found in large award-reliant organisations, around 22 per cent were found in medium organisations, 24 per cent were found in small organisations and 8 per cent were found in micro organisations.

The profile of award reliance according to organisation size was relatively similar across industries, where the highest proportion of award-reliant employees was found in larger organisations. However, there were several industries where this was not found to be the case. For example, there were no large award-reliant organisations in Mining. Similarly, in Construction only 8 per cent of workers in award-reliant organisations were found in large organisations. In both cases, this is likely to be due to the structure of these industries.

Table 4.15: Award reliance by industry and organisation size, award-reliant organisations only, percentages by row

	Percentage of award-reliant workforce				Total
	Micro	Small	Medium	Large	
Accommodation and food services					
Metropolitan	5	31	27	37	100
Regional/Rural	11	40	23	26	100
All locations	8	35	25	32	100
Administrative and support services					
Metropolitan	2	6	22	70	100
Regional/Rural	6	16	32	46	100
All locations	3	8	23	66	100
Arts and recreation services					
Metropolitan	3	22	30	45	100
Regional/Rural	7	27	26	39	100
All locations	5	25	28	42	100
Construction					
Metropolitan	29	36	31	3	100
Regional/Rural	39	41	9	11	100
All locations	34	36	22	8	100
Education and training					
Metropolitan	8	26	45	22	100
Regional/Rural	7	30	26	37	100
All locations	7	27	38	27	100
Electricity, gas, water and waste services					
Metropolitan	0	0	52	48	100
Regional/Rural	1	3	3	92	100
All locations	1	5	8	86	100
Financial and insurance services					
Metropolitan	0	26	43	31	100
Regional/Rural	49	18	33	0	100
All locations	21	23	39	17	100
Health care and social assistance					
Metropolitan	9	16	18	58	100
Regional/Rural	9	25	32	34	100
All locations	8	16	20	57	100
Information media and telecommunications					
Metropolitan	0	3	15	82	100
Regional/Rural	9	58	7	26	100
All locations	1	4	3	92	100
Manufacturing					
Metropolitan	4	24	38	34	100

	Percentage of award-reliant workforce				Total
	Micro	Small	Medium	Large	
Regional/Rural	9	31	35	24	100
All locations	6	27	37	30	100
Mining					
Metropolitan	0	0	0	0	0
Regional/Rural	17	60	23	0	100
All locations	17	60	23	0	100
Professional, scientific and technical services					
Metropolitan	1	9	21	58	100
Regional/Rural	8	63	12	17	100
All locations	10	26	18	45	100
Public administration and safety					
Metropolitan	12	30	23	35	100
Regional/Rural	6	15	35	44	100
All locations	8	21	28	43	100
Rental, hiring and real estate services					
Metropolitan	13	42	9	36	100
Regional	25	66	7	2	100
All locations	19	53	8	19	100
Retail trade					
Metropolitan	5	13	14	68	100
Regional/Rural	11	45	29	16	100
All locations	7	23	18	52	100
Transport, postal and warehousing					
Metropolitan	6	13	18	63	100
Regional/Rural	9	21	16	55	100
All locations	7	16	16	61	100
Wholesale trade					
Metropolitan	2	9	39	51	100
Regional/Rural	6	23	41	30	100
All locations	3	12	40	45	100
Other services					
Metropolitan	14	35	13	38	100
Regional/Rural	21	47	16	16	100
All locations	17	40	14	29	100
All Industries					
Metropolitan	7	19	23	52	100
Regional/Rural	12	36	24	28	100
All locations	8	24	22	45	100

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q8, Q11, Q12, Q13 & Q15. Base = employees in award-reliant organisations, percentages by cell, weights by employees (Employee weight A).

4.4 Characteristics of award-reliant employees

Having reported the profile of awards in use among non-public sector award-reliant organisations, this section describes the characteristics of adult award-reliant employees. The findings in this section were restricted to data collected from the 2781 non-public sector organisations that provided detailed award wages data, i.e. the second stage of the survey.

Table 4.16 sets out the profile of the adult award-reliant workforce by gender, form of employment (permanent and casual) and usual paid weekly hours of work (full-time and part-time) across six base hourly rates of pay ranges.⁶⁹ The findings in this table were restricted to data collected from the 2781 organisations that provided detailed award wages data, i.e. the second stage of the survey. It was also restricted to adult employees and excluded award-reliant juniors, apprentices, trainees and employees paid under the supported wage system. Section 4.4.1 is dedicated to findings on award reliance among these 'sub-minimum rate' employees.

The data presented in Table 4.16 show that 61 per cent of adult award-reliant employees were female and 39 per cent were male, while 55 per cent were employed on a casual basis and 45 per cent were employed on a permanent basis. Around 65 per cent of adult award-reliant employees worked part-time hours and 34 per cent worked full-time hours. Adult award-reliant employees employed on a casual basis were more likely to be working part-time hours (46 per cent) than full-time hours (8 per cent). However, adult award-reliant employees employed on a permanent basis were more likely to be working full-time hours (26 per cent) than part-time hours (19 per cent).

A higher proportion of both female and male adult award-reliant employees were employed on a casual basis (34 per cent and 21 per cent) than employed on a permanent basis (27 per cent and 18 per cent). A higher proportion of adult female award-reliant employees employed on both a casual and permanent basis and male award-reliant employees employed on a casual basis reported working part-time hours than full-time hours. However, a higher proportion of adult male award-reliant employees employed on a permanent basis reported working full-time hours than part-time hours.

At the top level, there appeared to be little difference between the proportion of adult female and male employees distributed across the six pay ranges. The data presented in Table 4.16 show that 75 per cent of all adult award-reliant employees were paid at lower classification rates, i.e. less than the C10 base hourly rate rounded to \$18.60. However, a higher proportion of adult females were found in higher classifications than adult males (16 per cent compared with 9 per cent). However, more adult females were also found in lower classifications (45 per cent) compared with males (30 per cent). Therefore, a higher proportion of male adult award-reliant employees (77 per cent) were on lower classifications than females (74 per cent). While 7 per cent of adult females and five per cent of adult males were on the second lowest pay range, \$18.60 to \$19.99 per hour, males were relatively more likely to be on this pay range (13 per cent compared with 11 per cent).

Additionally, despite one-quarter of all adult award-reliant employees being paid at rates in higher classifications, only 5 per cent of all adult award-reliant employees were found in classification rates at or above \$22.00 per hour (or its casual, weekly or annual equivalent). Differences between adult employees on higher and lower classifications are discussed in more detail in Chapter 5.

Adult employees engaged on a casual basis were relatively more likely to be on the lowest pay range than those employed on a permanent basis. However, while 45 per cent of all adult award-reliant

⁶⁹ Data collected from Question 7 of the CATI Survey to collect detailed award wages data was used to produce the data set out in this table. Although it may have been appealing to have collected data on further additional characteristics of the award-reliant workforce, for example, the age profile, this was not feasible due to the likely response burden collection of such additional characteristics would have placed on respondent organisations.

employees were employed on a permanent basis, two-thirds of these permanent employees (30 per cent of all adult award-reliant employees) were paid less than \$18.60 per hour. In comparison, while casual employees comprised 55 per cent of adult award-reliant employees, a higher proportion of casuals (and 45 per cent of all adult award-reliant employees) were also paid less than \$18.60 per hour.

Table 4.16: Profile of the total adult award-reliant workforce, percentages by row

	Percentage of adult award-reliant workforce in base hourly rate of pay range							All higher	Total
	Less than \$18.60	\$18.60 to \$19.99	\$20.00 to \$21.99	\$22.00 to \$24.99	\$25.00 to \$29.99	Over \$30.00			
Females									
Permanent									
Full-time hrs	8	2	2	1	1	<1	6	13	
Part-time hrs	10	2	1	2	<1	<1	4	14	
All permanent	17	4	3	1	1	1	10	27	
Casual									
Full-time hrs	3	<1	<1	<1	<1	<1	1	4	
Part-time hrs	24	3	2	1	<1	<1	6	30	
All casual	27	3	2	1	<1	<1	7	34	
All females	45	7	5	2	1	1	16	61	
Males									
Permanent									
Full-time hrs	9	2	1	<1	<1	<1	4	13	
Part-time hrs	4	1	<1	<1	<1	<1	1	5	
All permanent	13	3	2	1	<1	<1	6	18	
Casual									
Full-time hrs	4	<1	<1	<1	<1	<1	1	5	
Part-time hrs	13	2	1	<1	<1	<1	3	16	
All casual	17	2	1	<1	<1	<1	4	21	
All males	30	5	3	1	<1	<1	9	39	
All employees									
Permanent									
Full-time hrs	16	4	3	1	1	1	10	26	
Part-time hrs	13	3	2	1	<1	<1	6	19	
All permanent	30	7	4	2	1	1	16	45	
Casual									
Full-time hrs	7	1	<1	<1	<1	0	1	8	
Part-time hrs	38	4	3	1	<1	<1	9	46	
All casual	45	5	3	1	<1	<1	10	55	
All award-reliant employees	75	12	8	3	1	1	25	100	

Dataset: Detailed award-wages dataset C. Questions: CATI Q8 & Q15. Online Q3 & Q7. Base = Adult award-reliant employees, percentages by cell, weights by employees (Employee weight C). Note: If the particular award contains a pay rates falling within

the common pay range but there were no employees who were paid at rates falling within this pay range, this is indicated with a '0' in the relevant row.

Four modern awards were used to set the pay of almost half of all adult award-reliant employees in non-public sector organisations. The *Hospitality Industry (General) Award 2010* was used to set pay for 15 per cent of all adult award-reliant employees, followed by the *Clerks Private Sector Award 2010* (12 per cent), the *General Retail Industry Award 2010* (11 per cent) and the *Cleaning Services Award 2010* (9 per cent). The full list of modern awards ranked by the proportion of adult award-reliant employees is set out in Table F.36 in Appendix F.

4.4.1 Juniors, apprentices, trainees and employees paid under the supported wage system

Since 1 January 2010, the Panel has been conferred powers under the Fair Work Act to annually review minimum wages for employees to whom training arrangements apply, which includes apprentices and trainees in the national system.⁷⁰ In this section, data collected from award-reliant organisations on how many, if any, of their award-reliant workforce were juniors, trainees, apprentices and/or employees paid award rates under the supported wage system is presented.⁷¹

The findings in this section were restricted to analysis of data collected from the 2781 non-public sector organisations that provided detailed award wages data, i.e. the second stage of the survey. Overall, 9 per cent of award-reliant employees in non-public sector organisations were found to be paid junior rates, six per cent were paid apprentice rates and 2 per cent were paid trainee rates. Around 1 per cent of award-reliant employees in non-public sector organisations were paid under the supported wage system. An analysis of award reliance among each of the four categories of juniors, apprentices, trainees and employees paid under the supported wage system is set out below.

4.4.1.1 Award-reliant juniors

Of the total non-public sector award-reliant workforce, 9 per cent were found to be paid junior rates (Table 4.17). From this sample, and after weights were applied, the industries with the highest proportions of juniors paid award rates were Retail trade (30 per cent of all juniors), Accommodation and food services (24 per cent of all juniors) and Administrative and support services (20 per cent of all juniors).

The industries with the highest proportion of their non-public sector award-reliant workforce paid junior rates were Financial and insurance services (27 per cent), Professional, scientific and technical services (25 per cent), Retail trade (15 per cent) and Administrative and support services (11 per cent).

⁷⁰ *Fair Work Act 2009* (Cth), s.284(1)(e).

⁷¹ Data collected from Question 7 of the CATI Survey was used to calculate the breakdown of juniors, trainees, apprentices and supported wage system employees presented in Tables 4.4.1 and 4.4.2. The tables that appeared in Question 7 were customised so that if a modern award contained a provision for juniors, trainees, apprentices and/or supported wage system employees, a row appeared in the table to be completed by respondents.

Table 4.17: Share of juniors by industry, percentages by column and row

	Percentage of juniors	Percentage of award reliance in workforce
Retail trade	30	15
Accommodation and food services	24	8
Administrative and support services	20	11
Professional, scientific and technical services	6	25
Health care and social assistance	4	3
Rental, hiring and real estate services	3	10
Wholesale trade	3	7
Construction	3	5
Manufacturing	2	4
Other services	2	4
Arts and recreation services	2	5
Transport, postal and warehousing	1	4
Information media and telecommunications	1	9
Financial and insurance services	<1	27
Education and training	<1	1
Public administration and safety	<1	1
Electricity, gas, water and waste services	0	<1
Mining	0	<1
All industries	100	9

Dataset: CATI dataset A cross-tabulated with Detailed award-wages dataset C. Questions: CATI Q6, Q7, Q8 & Q15. Online Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C).

Juniors were more likely to be employed in small non-public sector organisations (36 per cent) and large non-public sector organisations (35 per cent). The highest proportion of juniors among the award-reliant workforce was in small organisations (11 per cent) and medium organisations had the lowest proportion (6 per cent) (Table 4.18).

Table 4.18: Share of juniors by size of organisation, percentages by column and row

Organisation size	Percentage of juniors	Percentage of award reliance in workforce
Micro	11	8
Small	36	11
Medium	19	6
Large	35	9
All organisations	100	9

Dataset: CATI dataset A cross-tabulated with Detailed award-wages dataset C. Questions: CATI Q8 & Q15. Online Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C).

Table 4.19 shows that non-public sector award-reliant organisations in metropolitan locations had the highest proportion of juniors (54 per cent), however the proportion of juniors of the total award-reliant workforce was relatively even across the three location types.

Table 4.19: Share of juniors by location, percentages by column and row

Location	Percentage of juniors	Percentage of award reliance in workforce
Metropolitan	54	9
Regional/Rural	44	8
Both metropolitan and regional/rural	2	8
All locations	100	9

Dataset: CATI dataset A cross-tabulated with Detailed award-wages dataset C. Questions: CATI Q11, Q12, Q13 & Q15. Online Q2, Q2A, 3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C). Note: Responses of 'Don't know' for Metropolitan or Regional/Rural location not reported separately but included in All locations.

Of the 122 modern awards in the national system, 72 contain rates of pay and provisions for juniors. Table 4.20 sets out the proportion of award-reliant juniors by modern award and the proportion of the non-public sector award-reliant workforce that are juniors by modern award. From this sample, and after weights were applied, the three modern awards used to set pay for the largest proportions of juniors in non-public sector award-reliant organisations were the *General Retail Industry Award 2010* (31 per cent), the *Cleaning Services Award 2010* (18 per cent) and the *Hospitality Industry (General) Award 2010* (10 per cent).

For some modern awards, juniors comprised a relatively high proportion of the award-reliant employees who had their pay set by this award. For example, juniors made up all of the award-reliant employees covered by the *Surveying Award 2010*, just over half (51 per cent) of award-reliant employees covered by the *Broadcasting and Recorded Entertainment Award 2010* and half (50 per cent) of the award-reliant employees covered by the *Legal Services Award 2010*. Juniors also comprised 28 per cent of the *Fast Food Industry Award 2010* and 19 per cent of the *General Retail Industry Award 2010*.

Table 4.20: Share of juniors by modern award, percentages by column and row

	Per cent of juniors	Per cent of award reliance in workforce
<i>General Retail Industry Award 2010</i>	31	19
<i>Cleaning Services Award 2010</i>	18	14
<i>Hospitality Industry (General) Award 2010</i>	10	5
<i>Restaurant Industry Award 2010</i>	7	14
<i>Clerks Private Sector Award 2010</i>	6	13
<i>Fast Food Industry Award 2010</i>	5	28
<i>Legal Services Award 2010</i>	3	50
<i>Pharmacy Industry Award 2010</i>	3	17
<i>Health Professionals and Support Services Award 2010</i>	2	12
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	2	4
<i>Gardening and Landscaping Services Award 2010</i>	1	14

Award reliance

	Per cent of juniors	Per cent of award reliance in workforce
<i>Children's Services Award 2010</i>	1	3
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	1	4
<i>Amusement, Events and Recreation Award 2010</i>	1	13
<i>Horticulture Award 2010</i>	1	14
<i>Registered and Licensed Clubs Award 2010</i>	1	2
<i>Nursery Award 2010</i>	1	15
<i>Storage Services and Wholesale Award 2010</i>	1	4
<i>Real Estate Industry Award 2010</i>	1	5
<i>Miscellaneous Award 2010</i>	<1	15
<i>Hair and Beauty Industry Award 2010</i>	<1	4
<i>Banking, Finance and Insurance Award 2010</i>	<1	15
<i>Seafood Processing Award 2010</i>	<1	31
<i>Surveying Award 2010</i>	<1	100
<i>Meat Industry Award 2010</i>	<1	3
<i>Wine Industry Award 2010</i>	<1	5
<i>Broadcasting and Recorded Entertainment Award 2010</i>	<1	51
<i>Timber Industry Award 2010</i>	<1	4
<i>Road Transport and Distribution Award 2010</i>	<1	1
<i>Textile, Clothing, Footwear and Associated Industries Award 2010</i>	<1	3
<i>Pharmaceutical Industry Award 2010</i>	<1	24
<i>Fitness Industry Award 2010</i>	<1	2
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	<1	1
<i>Local Government Industry Award 2010</i>	<1	2
<i>Graphic Arts, Printing and Publishing Award 2010</i>	<1	1
<i>Horse and Greyhound Training Award 2010</i>	<1	5
<i>Marine Tourism and Charter Vessels Award 2010</i>	<1	7
Enterprise Award	<1	2
Award-based transitional instrument (AN code)	<1	13
Not an award	1	83
Don't know	<1	2
Total	100	9

Dataset: Detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = award-reliant employees, percentages by column and row, weights by employees (Employee weight C).

4.4.1.2 Award-reliant apprentices

Of the total non-public sector award-reliant workforce, 6 per cent were found to be paid apprentice rates (Table 4.21). From this sample, and after weights were applied, the industries with the highest proportions of employees paid apprentice rates were Construction (35 per cent of all apprentices), Other services (17 per cent of all apprentices) and Retail trade (16 per cent of all apprentices).

The industries with the highest proportion of their non-public sector award-reliant workforce paid apprentice rates were Construction (51 per cent of award-reliant employees set by this modern award), Other services (27 per cent) and Electricity, gas, water and waste services (18 per cent).

Table 4.21: Share of apprentices by industry, percentages by column and row

	Percentage of apprentices	Percentage of award reliance in workforce
Construction	35	51
Other services	17	27
Retail trade	16	5
Accommodation and food services	9	2
Manufacturing	7	12
Education and training	5	12
Administrative and support services	5	2
Wholesale trade	2	3
Health care and social assistance	1	1
Arts and recreation services	1	3
Electricity, gas, water and waste services	1	18
Transport, postal and warehousing	<1	1
Financial and insurance services	<1	4
Mining	<1	9
Rental, hiring and real estate services	<1	0
Public administration and safety	<1	0
Information media and telecommunications	0	0
Professional, scientific and technical services	0	0
All industries	100	6

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C).

Small non-public sector organisations accounted for the largest proportion of apprentices, with around 33 per cent of all apprentices employed in this organisation size (Table 4.22). Micro non-public sector organisations had the highest proportion of apprentices of their total award-reliant workforce (14 per cent) and medium non-public sector organisations had the lowest proportion of apprentices among their award-reliant workforce (3 per cent).

Table 4.22: Share of apprentices by size of organisation, percentages by column and row

Organisation size	Percentage of apprentices	Percentage of award reliance in workforce
Micro	29	14
Small	33	7
Medium	14	3
Large	24	4
All organisations	100	6

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C).

Apprentices accounted for a higher proportion of non-public sector award-reliant employees in organisations in regional/rural locations than metropolitan locations (53 per cent compared with 43 per cent) and a higher proportion of the non-public sector award-reliant workforce (7 per cent compared with 5 per cent) (Table 4.23).

Table 4.23: Share of apprentices by location, percentages by column and row

Location	Percentage of apprentices	Percentage of award reliance in workforce
Metropolitan	43	5
Regional/Rural	53	7
Both metropolitan and regional/rural	3	7
All locations	100	6

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q10, Q11, Q12, Q13 & Q15. Online Q2, Q2A, Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C). Note: Responses of 'Don't know' for Metropolitan or Regional/Rural' location not reported separately but included in All locations.

Of the 122 modern awards in the national system, 46 contained provisions and rates of pay for apprentices. Many modern awards refer to the C10 or equivalent trade classification as the benchmark rate for determining apprentice pay. Table 4.24 sets out the proportion of non-public sector award-reliant employees paid apprentice rates by modern award. From this sample, and after weights were applied, the four modern awards used to set pay for the largest proportions of non-public sector apprentices were the *Vehicle Manufacturing, Repair, Service and Sales Award 2010* (33 per cent of all non-public sector award-reliant employees who had rates set by this modern award), the *Building and Construction General On-site Award 2010* (47 per cent), the *Electric, Electronic and Communications Contracting Award 2010* (77 per cent) and the *Manufacturing and Associated Industries Award 2010* (20 per cent).

The proportion of apprentices was relatively high for all non-public sector award-reliant employees covered by the *Plumbing and Fire Sprinklers Award 2010* (90 per cent) and the *Electrical, Electronic and Communications Contracting Award 2010* (77 per cent).

Table 4.24: Share of apprentices by modern award, percentages by column and row

	Percentage of apprentices	Percentage of award-reliant workforce
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	26	33
<i>Building and Construction General On-site Award 2010</i>	23	47
<i>Electrical, Electronic and Communications Contracting Award 2010</i>	9	77
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	8	20
<i>Plumbing and Fire Sprinklers Award 2010</i>	7	90
<i>Hospitality Industry (General) Award 2010</i>	5	2
<i>Hair and Beauty Industry Award 2010</i>	5	33
<i>Restaurant Industry Award 2010</i>	3	4
<i>Gardening and Landscaping Services Award 2010</i>	3	21
<i>Registered and Licensed Clubs Award 2010</i>	2	4
<i>Joinery and Building Trades Award 2010</i>	2	37
<i>Meat Industry Award 2010</i>	1	10
<i>General Retail Industry Award 2010</i>	1	<1
<i>Local Government Industry Award 2010</i>	1	25
<i>Clerks Private Sector Award 2010</i>	1	1
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	1	4
<i>Children's Services Award 2010</i>	1	1
<i>Nursery Award 2010</i>	<1	7
<i>Timber Industry Award 2010</i>	<1	6
<i>Dry Cleaning and Laundry Industry Award 2010</i>	<1	14
<i>Graphic Arts, Printing and Publishing Award 2010</i>	<1	4
<i>Amusement, Events and Recreation Award 2010</i>	<1	2
<i>Miscellaneous Award 2010</i>	<1	3
<i>Airline Operations Ground Staff Award 2010</i>	<1	21
<i>Award-based transitional instrument (AN code)</i>	<1	11
Don't know	<1	2
Total	100	6

Dataset: Detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = award-reliant employees, percentages by column and row, weights by employees (Employee weight C).

4.4.1.3 Award-reliant trainees

As shown in Table 4.25, 2 per cent of the overall non-public sector award-reliant workforce was comprised of trainees. From this sample, and after weights were applied, the industries with the highest proportion of non-public sector trainees were Health care and social assistance (19 per cent), Administrative support services (15 per cent) and Retail trade (13 per cent).

The industries with the highest proportion of their non-public sector award-reliant workforce paid trainee rates were Information media and telecommunications (12 per cent) and Financial and insurance services (8 per cent).

Table 4.25: Share of trainees by industry, percentages by column and row

	Percentage of trainees	Percentage of award reliance in workforce
Health care and social assistance	19	3
Administrative and support services	15	2
Retail trade	13	1
Accommodation and food services	10	<1
Arts and recreation services	9	6
Education and training	8	6
Information media and telecommunications	8	12
Professional, scientific and technical services	5	4
Rental, hiring and real estate services	5	3
Other services	3	2
Manufacturing	1	<1
Wholesale trade	1	<1
Financial and insurance services	1	8
Public administration and safety	<1	2
Transport, postal and warehousing	<1	<1
Construction	<1	<1
Electricity, gas, water and waste services	<1	<1
Mining	<1	<1
All industries	100	2

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C).

The largest proportion of trainees was found in small non-public sector organisations, accounting for 39 per cent of all trainees (Table 4.26). The next highest were among large non-public sector organisations (29 per cent).

Table 4.26: Share of trainees by size of organisation, percentages by column and row

Organisation size	Percentage of trainees	Percentage of award reliance in workforce
Micro	12	2
Small	39	2
Medium	20	1
Large	29	2
All organisations	100	2

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C).

Two-thirds of trainees were employed in non-public sector organisations in regional/rural locations. A higher proportion of trainees was found in organisations in regional/rural locations (3 per cent of the total award-reliant workforce) than in organisations located in metropolitan areas (1 per cent) (Table 4.27).

Table 4.27: Share of trainees by location, percentages by column and row

Location	Percentage of trainees	Percentage of award reliance in workforce
Metropolitan	34	1
Regional/Rural	66	3
Both Metropolitan and Regional/Rural	<1	<1
All locations	100	2

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q11, Q12, Q13 & Q15. Online Q2, Q2A, Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C). Note: Responses of 'Don't know' for Metropolitan or Regional/Rural' location not reported separately but included in All locations.

Of the 122 modern awards in the national system, 103 contain rates of pay and provisions for trainees. Table 4.28 sets out the number and proportion of non-public sector award-reliant employees paid trainee rates by modern award. From this sample, and after weights were applied, the four modern awards used to set pay for the largest proportion of trainees in award-reliant organisations were the *Building and Construction General On-site Award 2010* (13 per cent), the *Children's Services Award 2010* (12 per cent), *General Retail Industry Award 2010* (11 per cent) and the *Clerks Private Sector Award 2010* (9 per cent).

All award-reliant employees covered by the *Professional Diving Industry (Recreational) Award 2010* were found to be trainees. A relatively high proportion of trainees were also found in the *Architects Award 2010* (66 per cent) and the *Fitness Industry Award 2010* (43 per cent).

Table 4.28: Share of trainees by modern award, percentages by column and row

	Percentage of trainees	Percentage of award reliance in workforce
<i>Building and Construction General On-site Award 2010</i>	13	8
<i>Children's Services Award 2010</i>	12	7

	Percentage of trainees	Percentage of award reliance in workforce
<i>General Retail Industry Award 2010</i>	11	1
<i>Clerks Private Sector Award 2010</i>	9	3
<i>Fitness Industry Award 2010</i>	8	43
<i>Hospitality Industry (General) Award 2010</i>	5	<1
<i>Architects Award 2010</i>	5	66
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	4	2
<i>Aged Care Award 2010</i>	4	6
<i>Cleaning Services Award 2010</i>	3	<1
<i>Health Professionals and Support Services Award 2010</i>	3	3
<i>Real Estate Industry Award 2010</i>	3	5
<i>Restaurant Industry Award 2010</i>	2	1
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	2	2
<i>Journalists Published Media Award 2010</i>	2	17
<i>Fast Food Industry Award 2010</i>	1	2
<i>Pharmacy Industry Award 2010</i>	1	2
<i>Hair and Beauty Industry Award 2010</i>	1	3
<i>Professional Diving Industry (Recreational) Award 2010</i>	1	100
<i>Registered and Licensed Clubs Award 2010</i>	1	1
<i>Supported Employment Services Award 2010</i>	1	4
<i>Educational Services (Post-Secondary Education) Award 2010</i>	1	2
<i>Storage Services and Wholesale Award 2010</i>	1	1
<i>Amusement, Events and Recreation Award 2010</i>	1	2
<i>Local Government Industry Award 2010</i>	1	6
<i>Business Equipment Award 2010</i>	1	3
<i>Horticulture Award 2010</i>	1	2
<i>Miscellaneous Award 2010</i>	<1	3
<i>Commercial Sales Award 2010</i>	<1	2
<i>Graphic Arts, Printing and Publishing Award 2010</i>	<1	1
<i>Timber Industry Award 2010</i>	<1	1
<i>Horse and Greyhound Training Award 2010</i>	<1	8
<i>Live Performance Award 2010</i>	<1	2
<i>Security Services Industry Award 2010</i>	<1	<1
<i>Labour Market Assistance Industry Award 2010</i>	<1	<1
Transitional Award (AT code)	<1	8
National Employment Standard (NES)	<1	2
Total	100	1

Dataset: Detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = award-reliant employees, percentages by column and row, weights by employees (Employee weight C).

4.4.1.4 Award-reliant employees paid under the supported wage system

Less than 1 per cent of the total non-public sector award-reliant workforce was paid under the supported wage system (Table 4.29). From this sample, and after weights were applied, the industries with the largest number of non-public sector employees paid under the supported wage system were Health care and social assistance (6218 supported wage system employees), Manufacturing (1508 supported wage system employees) and Construction (942 supported wage system employees).

Employees paid under the supported wage system comprised a relatively high proportion of the non-public sector award-reliant workforce in Health care and social assistance and Information media and telecommunications (both 3 per cent).

Table 4.29: Share of supported wage system employees by industry, percentages by column and row

	Percentage of all supported wage system employees	Percentage of award reliance in workforce
Health care and social assistance	53	3
Manufacturing	13	2
Construction	8	1
Accommodation and food services	7	<1
Information media and telecommunications	6	3
Other services	4	1
Retail trade	4	<1
Administrative and support services	3	<1
Wholesale trade	2	<1
Arts and recreation services	1	<1
Transport, postal and warehousing	1	<1
Financial and insurance services	<1	1
Public administration and safety	<1	<1
Education and training	<1	<1
Electricity, gas, water and waste services	<1	<1
Mining	<1	<1
Professional, scientific and technical services	<1	<1
Rental, hiring and real estate services	<1	<1
All industries	100	<1

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C).

As shown in Table 4.30, employees paid under the supported wage system were more likely to be found in large non-public sector award-reliant organisations (39 per cent) than other organisations.

Table 4.30: Share of supported wage system employees by size of organisation, percentages by column and row

	Percentage of supported wage system employees	Percentage of award reliance in workforce
Organisation size		
Micro	11	1
Small	19	<1
Medium	31	1
Large	39	1
All organisations	100	1

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C).

Over three-quarters of employees paid under the supported wage system were found in non-public sector organisations in regional/rural locations and less than one-quarter (24 per cent) were found in non-public sector organisations in metropolitan locations (Table 4.31).

Table 4.31: Share of Supported Wage System employees by location, percentages by column and row

	Percentage of supported wage system employees	Percentage of award reliance in workforce
Location		
Metropolitan	24	<1
Regional/Rural	76	1
Both Metropolitan and Regional/Rural	0	<1
All locations	100	<1

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q11, Q12, Q13 & Q15. Online Q2, Q2A, Q3 & Q7. Base = award-reliant employees, percentages by cell, weights by employees (Employee weight C). Note: Responses of 'Don't know' for 'Metropolitan or Regional/Rural' location not reported separately but included in All locations.

Of the 122 modern awards in the national system, 98 contain rates of pay and provisions for employees engaged under the supported wage system. Table 4.32 sets out the number and proportion of non-public sector award-reliant employees paid under the supported wage system by modern award. From this sample, and after weights were applied, the three modern awards used to set pay for the largest proportions of supported wage system employees in the non-public sector were the *Supported Employment Services Award 2010* (35 per cent), the *Food, Beverage and Tobacco Manufacturing Award 2010* (10 per cent) and the *Social, Community Care and Disability Services Award 2010* (8 per cent).

The modern awards with the highest proportion of award-reliant employees paid under the supported wage system were the *Supported Employment Services Award 2010* (64 per cent), the *Market and Social Research Award 2010* (13 per cent) and the *Food, Beverage and Tobacco Manufacturing Award 2010* (7 per cent).

Table 4.32: Share of supported wage system employees by modern award, percentages by column and row

	Percentage of supported wage system employees	Percentage of award reliance in workforce
<i>Supported Employment Services Award 2010</i>	35	64
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	10	7
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	8	1
<i>Health Professionals and Support Services Award 2010</i>	7	3
<i>Gardening and Landscaping Services Award 2010</i>	7	5
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	6	1
<i>General Retail Industry Award 2010</i>	5	<1
<i>Hospitality Industry (General) Award 2010</i>	4	<1
<i>Cleaning Services Award 2010</i>	3	<1
<i>Market and Social Research Award 2010</i>	3	13
<i>Wine Industry Award 2010</i>	3	4
<i>Clerks Private Sector Award 2010</i>	3	<1
<i>Aged Care Award 2010</i>	1	1
<i>Labour Market Assistance Industry Award 2010</i>	1	1
<i>Registered and Licensed Clubs Award 2010</i>	1	<1
<i>Road Transport and Distribution Award 2010</i>	1	<1
<i>Children's Services Award 2010</i>	<1	<1
<i>Fitness Industry Award 2010</i>	<1	1
<i>Fast Food Industry Award 2010</i>	<1	<1
<i>Amusement, Events and Recreation Award 2010</i>	<1	<1
<i>Aboriginal Community Controlled Health Services Award 2010</i>	<1	2
<i>Storage Services and Wholesale Award 2010</i>	<1	<1
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	<1	<1
<i>Restaurant Industry Award 2010</i>	<1	<1
<i>Pharmacy Industry Award 2010</i>	<1	<1
<i>Local Government Industry Award 2010</i>	<1	<1
Total	100	<1

Dataset: Detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = award-reliant employees, percentages by column and row, weights by employees (Employee weight C).

4.4.2 Industries with a high proportion of award reliance

According to the ABS EEH 2012 Survey, five industries accounted for around 70 per cent of all award-reliant employees.⁷² These five industries were Accommodation and food services, Retail trade, Health care and social assistance, Administrative and support services and Manufacturing. In this section, the characteristics of all non-public sector award-reliant employees in these five industries are examined in further detail.⁷³ The findings in this section were restricted to analysis from the 2781 non-public sector organisations that provided detailed award wages data, i.e. the second stage of the survey.

For each of the five industries an analysis is provided of the award-reliant employees in the industry and compares them with all employees in award-reliant organisations in the industry, all award-reliant employees and all employees in award-reliant organisations. A discussion of the top five modern awards among the award-reliant employees in these industries is also provided.

This is followed by an analysis of the number of award-reliant employees covered by these awards. A profile of the award-reliant workforce in the industry is then compared with the overall profile of the award-reliant workforce.

4.4.2.1 Accommodation and food services

Around 20 per cent of award-reliant employees were in Accommodation and food services according to the ABS EEH 2012 Survey.⁷⁴ Table 4.33 sets out the profile of non-public sector award-reliant employees in the Accommodation and food services industry by gender, form of employment (permanent and casual) and usual weekly paid hours of work (full-time and part-time).

Overall, the Award Reliance Survey found there was a higher proportion of casual employees among award-reliant employees (85 per cent) than among all employees in award-reliant organisations in this industry (69 per cent), all award-reliant employees (52 per cent) and all employees in award-reliant organisations (34 per cent).

Almost three-quarters (73 per cent) of award-reliant employees in this industry were casuals who worked part-time, which was more than the proportion of part-time casuals among all employees in award-reliant organisations in this industry (59 per cent), all award-reliant employees (44 per cent) and all employees in award-reliant organisations (28 per cent).

In this industry, the proportion of females as a proportion of the award-reliant workforce (65 per cent) was higher than all employees in award-reliant organisations and all award-reliant employees (both 59 per cent) and all employees in award-reliant organisations (51 per cent).

Conversely, permanent employment among female award-reliant employees in this industry (9 per cent) was less than among all female employees in award-reliant organisations in this industry (15 per cent), all female award-reliant employees (27 per cent) and all female employees in award-reliant organisations (31 per cent).

The proportion of permanent employment among male award-reliant employees in this industry (7 per cent) was also lower than the proportion found in all employees in award-reliant organisations in this industry (17 per cent), all award-reliant employees (21 per cent) and all employees in award-reliant organisations (35 per cent).

⁷² ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

⁷³ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

⁷⁴ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

Table 4.33: Profiles of the award-reliant and total workforce in award-reliant organisations in the Accommodation and food services industry compared with all industries, percentages by column

	Percentage of employees in award-reliant organisations			
	Accommodation and food services		All industries	
	Award-reliant workforce	Total workforce	Award-reliant workforce	Total workforce
Females				
Permanent				
Full-time hrs	5	10	13	18
Part-time hrs	4	5	14	14
All permanent	9	15	27	31
Casual				
Full-time hrs	6	5	3	2
Part-time hrs	50	39	29	18
All casual	56	44	32	20
All females	65	59	59	51
Males				
Permanent				
Full-time hrs	5	14	16	31
Part-time hrs	2	2	5	4
All permanent	7	17	21	35
Casual				
Full-time hrs	6	6	4	4
Part-time hrs	23	19	15	10
All casual	29	25	19	14
All males	36	41	41	49
All employees				
Permanent				
Full-time hrs	10	24	29	49
Part-time hrs	6	7	19	18
All permanent	16	31	48	66
Casual				
Full-time hrs	12	10	7	6
Part-time hrs	73	59	44	28
All casual	85	69	52	34
All employees	100	100	100	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3 & Q7. Base = Award-reliant employees, percentages by column, weights by employees (Employee weight C).

Table 4.34 shows the top five awards ranked by the proportion of award-reliant employees in this industry who had their pay set by each award. This table also shows the proportion of all award-reliant employees who had their pay set by this award.

Four of the top five modern awards used by the highest proportion of award-reliant organisations were also used to set pay among the highest proportions of award-reliant employees (Table 4.34). The *Hospitality Industry (General) Award 2010* was used to set the pay of 63 per cent of award-reliant employees in this industry. This was followed by the *Restaurant Industry Award 2010* (16 per cent), the *Fast Food Industry Award 2010* (5 per cent) and the *Registered and Licensed Clubs Award 2010* (4 per cent). The modern award with the fifth highest award-reliant workforce in this industry was the *Gardening and Landscaping Services Award 2010*, where 1 per cent of employees in this industry had their pay set by this award. Again, for the four most common modern awards, these were above the all industries average.

Table 4.34: Modern awards used to set pay for the highest proportion of award-reliant employees in Accommodation and food services, percentages by column

	Percentage of award-reliant employees using this award	
	Accommodation and food services	All industries
	%	%
<i>Hospitality Industry (General) Award 2010</i>	63	21
<i>Restaurant Industry Award 2010</i>	16	5
<i>Fast Food Industry Award 2010</i>	5	2
<i>Registered and Licensed Clubs Award 2010</i>	4	3
<i>Gardening and Landscaping Services Award 2010</i>	1	2

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = Award-reliant employees, cell percentages, weights by employees (Employee weight C).

The full list of awards used in this industry ranked by highest to lowest proportions of non-public sector award-reliant employees is set out in Table F.37 in Appendix F.

4.4.2.2 Retail trade

Around 18 per cent of award-reliant employees in the non-public sector were in Retail trade, according to the ABS EEH 2012 Survey.⁷⁵ Table 4.35 sets out the profile of award-reliant employees from the Award Reliance Survey in the Retail trade industry by gender, form of employment (permanent and casual) and usual weekly paid hours of work (full-time and part-time).

The characteristics of award-reliant employees in Retail trade were found to be more similar to the characteristics of all award-reliant employees than all employees in award-reliant organisations in this industry.

Overall, the proportion of casual employment among award-reliant employees in this industry (50 per cent) was higher than among all employees in award-reliant organisations in the industry (34 per cent). However, the proportion of casual employment among award-reliant employees in this industry was relatively similar to all award-reliant employees (52 per cent).

⁷⁵ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

Less than half of all award-reliant employees in this industry were part-time casuals (46 per cent), a similar proportion for all award-reliant employees (44 per cent) and higher than the proportion of part-time casuals among all employees in award-reliant organisations (28 per cent).

In this industry, the proportion of females among award-reliant employees (59 per cent) was higher than all employees in award-reliant organisations (53 per cent). The proportion of female award-reliant employees was also the same as the proportion of female employees among all award-reliant employees (59 per cent) and higher than for all employees in award-reliant organisations (51 per cent).

The proportion of permanent employment among female award-reliant employees in this industry (26 per cent) was lower than for all employees in award-reliant organisations in Retail trade (31 per cent). In addition, permanent employment among female award-reliant employees in this industry was relatively similar to permanent employment among all female award-reliant employees (26 per cent compared with 27 per cent).

The proportion of permanent employment among male award-reliant employees in this industry (24 per cent) was lower than the proportion for all employees in award-reliant organisations in this industry (36 per cent). Permanent employment was higher among male award-reliant employees in this industry (24 per cent) compared with all male award-reliant employees across all industries (21 per cent) and around 10 percentage points lower than the proportion of permanent employment among all males in award-reliant organisations (35 per cent).

Table 4.35: Profiles of the award-reliant and total workforce in award-reliant organisations in Retail trade compared with all industries, percentages by column

	Percentage of workforce in award-reliant organisations			
	Retail trade		All industries	
	Award-reliant workforce	Total workforce	Award-reliant workforce	Total workforce
Females				
Permanent				
Full-time	14	19	13	18
Part-time	12	11	14	14
All permanent	26	31	27	31
Casual				
Full-time	3	2	3	2
Part-time	31	21	29	18
All casual	33	23	32	20
All females	59	53	59	51
Males				
Permanent				
Full-time	20	33	16	31
Part-time	4	3	5	4
All permanent	24	36	21	35
Casual				
Full-time	2	2	4	4
Part-time	15	10	15	10

	Percentage of workforce in award-reliant organisations			
	Retail trade		All industries	
	Award-reliant workforce	Total workforce	Award-reliant workforce	Total workforce
All casual	17	11	19	14
All males	41	47	41	49
All employees				
Permanent				
Full-time	34	52	29	49
Part-time	16	14	19	18
All permanent	50	67	48	66
Casual				
Full-time	5	4	7	6
Part-time	46	31	44	28
All casual	50	34	52	34
All employees	100	100	100	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3 & Q7. Base = Award-reliant employees, percentages by column, weights by employees (Employee weight C).

Table 4.36 shows the top five awards ranked by the proportion of award-reliant employees in this industry. The *General Retail Industry Award 2010* was used to set pay for 53 per cent of award-reliant employees in this industry. This was followed by the *Vehicle Manufacturing, Repair, Services and Retail Award 2010* (13 per cent), the *Clerks Private Sector Award 2010* (10 per cent), the *Pharmacy Industry Award 2010* (7 per cent) and the *Manufacturing and Associated Industries and Occupations Award 2010* (5 per cent). These proportions were above the all industries average for the two most common modern awards.

Table 4.36: Modern awards used to set pay for the five highest amounts of award-reliant employees in Retail trade, percentages by column

	Percentage of award-reliant employees using this award	
	Retail trade	All industries
	%	%
<i>General Retail Industry Award 2010</i>	53	14
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	13	5
<i>Clerks Private Sector Award 2010</i>	10	15
<i>Pharmacy Industry Award 2010</i>	7	2
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	5	5

Dataset: Detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = award-reliant employees, cell percentages, weights by employees (Employee weight C).

The full list of awards used in this industry ranked by highest to lowest proportion of non-public sector award-reliant employees is set out in Table F.38 in Appendix F.

4.4.2.3 Health care and social assistance

Around 15 per cent of award-reliant employees were in Health care and social assistance, according to the ABS EEH 2012 Survey.⁷⁶

Table 4.37 sets out the profile of award-reliant employees from the Award Reliance Survey in the Health care and social assistance industry by gender, form of employment (permanent and casual) and usual weekly paid hours of work (full-time and part-time).

There was a relatively high proportion of females as a proportion of both award-reliant employees (86 per cent) and all employees in award-reliant organisations (83 per cent) in Health care and social assistance compared with the proportion of all female award-reliant employees (59 per cent) and all employees in award-reliant organisations (51 per cent).

The proportion of casual employment among award-reliant employees in this industry (32 per cent) was higher than for all employees in award-reliant organisations (24 per cent). However, the proportion of casual employment among award-reliant employees in this industry was lower than for all award-reliant employees (52 per cent) and relatively similar to the proportion for all employees in award-reliant organisations (34 per cent).

The proportion of permanent employment among female award-reliant employees in this industry (58 per cent) was lower than among all female employees in award-reliant organisations (62 per cent). In contrast, the proportion of permanent female award-reliant employees was more than double the proportion of permanent employment among the all female award-reliant employees across all industries (27 per cent) and more than the proportion among all employees in award-reliant organisations (31 per cent).

Male permanent employees were relatively low for both award-reliant employees (10 per cent) and all employees (13 per cent) in Health care and social assistance compared with all industries. In particular, the proportion of permanent employment among male award-reliant employees working full-time (3 per cent) was around half of the proportion among all males in award-reliant organisations in this industry (6 per cent), and even lower than among all award-reliant employees (16 per cent) and all employees in award-reliant organisations (31 per cent).

The proportion of male casual award-reliant employees in this industry (4 per cent) and for all employees in this industry (3 per cent) was relatively low compared with the proportion among all award-reliant employees (19 per cent) and all employees in award-reliant organisations (14 per cent).

⁷⁶ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

Table 4.37: Profiles of the award-reliant and total workforce in award-reliant organisations in Health care and social assistance compared with all industries, percentages by column

	Percentage of employees in award-reliant organisations			
	Health care and social assistance		All industries	
	Award-reliant workforce	Total workforce	Award-reliant workforce	Total workforce
Females				
Permanent				
Full-time hrs	25	22	13	18
Part-time hrs	33	40	14	14
All permanent	58	62	27	31
Casual				
Full-time hrs	2	2	3	2
Part-time hrs	26	19	29	18
All casual	28	21	32	20
All females	86	83	59	51
Males				
Permanent				
Full-time hrs	3	6	16	31
Part-time hrs	7	7	5	4
All permanent	10	13	21	35
Casual				
Full-time hrs	1	0	4	4
Part-time hrs	3	3	15	10
All casual	4	3	19	14
All males	14	16	41	49
All employees				
Permanent				
Full-time hrs	28	28	29	49
Part-time hrs	40	47	19	18
All permanent	68	75	48	66
Casual				
Full-time hrs	3	2	7	6
Part-time hrs	29	22	44	28
All casual	32	24	52	34
All employees	100	100	100	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = Award-reliant employees, percentages by column, weights by employees (Employee weight C).

Table 4.38 shows the top five modern awards ranked by the number of award-reliant employees in this industry compared with the proportion of all award-reliant employees who had their pay set by this award.

The *Social, Community, Home Care and Disability Services Award 2010* was used to set pay for 21 per cent of award-reliant employees in this industry. The four other awards with the highest

number of award-reliant employees in this industry were the *Children's Services Award 2010* (17 per cent), *Health Professionals and Support Services Award 2010* (13 per cent), the *Educational Services (Teachers) Award 2010* (11 per cent) and the *Aged Care Award 2010* (9 per cent). For each of these modern awards, the proportion was above the all industries average.

Table 4.38: Modern awards used to set pay for the five highest amounts of award-reliant employees in Health care and social assistance, percentages by column

	Percentage of award-reliant employees using this award	
	Health care and social assistance	All industries
	%	%
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	21	5
<i>Children's Services Award 2010</i>	17	5
<i>Health Professionals and Support Services Award 2010</i>	13	3
<i>Educational Services (Teachers) Award 2010</i>	11	3
<i>Aged Care Award 2010</i>	9	2

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = award-reliant employees, cell percentages, weights by employees (Employee weight C).

The full list of awards used in this industry ranked by highest to lowest proportion of non-public sector award-reliant employees is set out in Table F.39 in Appendix F.

4.4.2.4 Administrative and support services

Around 11 per cent of award-reliant employees were in Administrative and support services according to the ABS EEH 2012 Survey.⁷⁷ Table 4.39 sets out the profile of non-public sector award-reliant employees from the Award Reliance Survey in Administrative and support services by gender, form of employment (permanent and casual) and usual weekly paid hours of work (full-time and part-time).

The proportion of permanent award-reliant employees in this industry (66 per cent) was similar to the proportion of all employees in this industry (67 per cent) and among all employees in award-reliant organisations (66 per cent). However, the proportion of permanent award-reliant employment was higher than among all award-reliant employees in award-reliant organisations (48 per cent).

The proportion of permanent award-reliant employees in this industry working full-time (20 per cent) was lower than the proportion for all employees in award-reliant organisations in this industry working full-time (27 per cent). However, the opposite occurred for part-time employees, where the proportion of permanent award-reliant employees working part-time in this industry (46 per cent) was higher than for all employees in award-reliant organisations in this industry (40 per cent). Both of these were higher than for all award-reliant employees (19 per cent) and all employees in award-reliant organisations (18 per cent).

The proportion of female award-reliant employees in this industry employed on a permanent part-time basis (32 per cent) and for all employees in award-reliant organisations in this industry (29 per cent) was more than double the proportion among all award-reliant employees and all employees in award-reliant organisations (both 14 per cent). Conversely, the proportion of female award-reliant employees

⁷⁷ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

in this industry who were employed on a casual basis and working part-time (12 per cent) was lower than for all award-reliant employees (29 per cent).

The proportion of casual female award-reliant employees in Administrative and support services (15 per cent) was less than half of the proportion for all award-reliant employees (32 per cent).

The proportion of award-reliant female permanent employees in this industry was similar to that of all employees in award-reliant organisations in this industry (both 41 per cent) and higher than among all award-reliant employees (27 per cent) and all employees in award-reliant organisations (31 per cent).

For males, the proportion of permanent award-reliant employees working full-time in this industry (11 per cent) was less than for all employees in award-reliant organisations in this industry (15 per cent), all award-reliant employees (16 per cent) and for all employees in award-reliant organisations (31 per cent). In contrast, there was a higher proportion of permanent male award-reliant employees working part-time (14 per cent) than all employees in award-reliant organisations in this industry (11 per cent), all award-reliant employees (5 per cent) and all employees in award-reliant organisations (4 per cent).

Table 4.39: Profiles of the award-reliant and total workforce in award-reliant organisations in Administrative and support services compared with all industries, percentages by column

	Percentage of employees in award-reliant organisations			
	Administrative and support services		All industries	
	Award-reliant workforce	Total workforce	Award-reliant workforce	Total workforce
Females				
Permanent				
Full-time hrs	9	12	13	18
Part-time hrs	32	29	14	14
All permanent	41	41	27	31
Casual				
Full-time hrs	3	4	3	2
Part-time hrs	12	10	29	18
All casual	15	14	32	20
All females	56	55	59	51
Males				
Permanent				
Full-time hrs	11	15	16	31
Part-time hrs	14	11	5	4
All permanent	25	26	21	35
Casual				
Full-time hrs	7	10	4	4
Part-time hrs	11	10	15	10
All casual	18	20	19	14
All males	43	46	41	49
All employees				
Permanent				

	Percentage of employees in award-reliant organisations			
	Administrative and support services		All industries	
	Award-reliant workforce	Total workforce	Award-reliant workforce	Total workforce
Full-time hrs	20	27	29	49
Part-time hrs	46	40	19	18
All permanent	66	67	48	66
Casual				
Full-time hrs	10	14	7	6
Part-time hrs	23	20	44	28
All casual	33	34	52	34
All employees	100	100	100	100

Dataset: CATI dataset C cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, 7 & Q15. Online Q2, Q2A, Q3 & Q7. Base = Award-reliant employees, percentages by column, weights by employees (Employee weight C).

Table 4.40 shows the top five modern awards ranked by the number of award-reliant employees in this industry compared with the proportion of all award-reliant employees who had their pay set by this award.

The *Cleaning Services Award 2010* was used to set pay for 42 per cent of award-reliant employees in this industry. The four other awards with the highest number of award-reliant employees in this industry were the *Clerks Private Sector Award 2010* (19 per cent), the *Security Services Industry Award 2010* (10 per cent), the *Building and Construction General On-site Award 2010* (5 per cent) and the *Manufacturing and Associated Industries and Occupations Award 2010* (4 per cent). For the four most common modern awards, the proportions of employees on the award in this industry were above the all industries average.

Table 4.40: Modern award used to set pay for the five highest amounts of award-reliant employees in Administrative and support services, percentages by column

	Percentage of award-reliant employees using this award	
	Administrative and support services	All industries
	%	%
<i>Cleaning Services Award 2010</i>	42	12
<i>Clerks Private Sector Award 2010</i>	19	15
<i>Security Services Industry Award 2010</i>	10	3
<i>Building and Construction General On-site Award 2010</i>	5	3
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	4	5

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = Award-reliant employees, cell percentages, weights by employees (Employee weight C).

The full list of awards used in this industry ranked by non-public sector award-reliant employees is set out in Table F.40 in Appendix F.

4.4.2.5 Manufacturing

Around 6 per cent of award-reliant employees were in Manufacturing according to the ABS EEH 2012 Survey.⁷⁸ Table 4.41 sets out the profile of non-public sector award-reliant employees from the Award Reliance Survey in Manufacturing by gender, form of employment (permanent and casual) and usual weekly paid hours of work (full-time and part-time).

The proportion of female award-reliant employees in this industry (35 per cent) was higher than the proportion of female employees in award-reliant organisations in this industry (30 per cent) and lower than the proportion for all award-reliant employees (59 per cent) and for all employees in award-reliant organisations (51 per cent).

The proportion of permanent employment among award-reliant employees in this industry (55 per cent) was lower than for all employees in award-reliant organisations in this industry (83 per cent). This was mainly due to a lower proportion of permanent employment among award-reliant employees working full-time (49 per cent) compared with all employees in award-reliant organisations in this industry (78 per cent). Nevertheless, permanent employment among award-reliant employees working full-time in this industry was higher than for all award-reliant employees (29 per cent).

Permanent employment in this industry was relatively low among both female award-reliant employees working part-time and all female employees in award-reliant organisations working part-time (both 5 per cent).

Females were relatively more likely to be employed on a casual basis in this industry if they were award-reliant compared with other employees in award-reliant organisations. The proportion of casual female award-reliant employees in this industry (20 per cent) was almost three times higher than among all female employees in award-reliant organisations in this industry (7 per cent).

In this industry, there was a lower proportion of male permanent award-reliant employees (40 per cent) than all male permanent employees in award-reliant organisations in this industry (60 per cent). Nevertheless, the proportion of permanent employment among male award-reliant employees in this industry was almost double the proportion among all award-reliant employees (21 per cent). In this industry, relatively few male employees (either award-reliant or overall) were employed on a permanent part-time basis (both 1 per cent), with the majority of male permanent employees working full-time.

⁷⁸ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

Table 4.41: Profiles of the award-reliant and total workforce in award-reliant organisations in the Manufacturing industry compared with all industries, percentages by column

	Percentage of employees in award-reliant organisations			
	Manufacturing		All industries	
	Award-reliant workforce	Total workforce	Award-reliant workforce	Total workforce
Females				
Permanent				
Full-time hrs	10	19	13	18
Part-time hrs	5	5	14	14
All permanent	15	23	27	31
Casual				
Full-time hrs	4	2	3	2
Part-time hrs	16	5	29	18
All casual	20	7	32	20
All females	35	30	59	51
Males				
Permanent				
Full-time hrs	39	59	16	31
Part-time hrs	1	1	5	4
All permanent	40	60	21	35
Casual				
Full-time hrs	12	6	4	4
Part-time hrs	13	5	15	10
All casual	25	11	19	14
All males	65	71	41	49
All employees				
Permanent				
Full-time hrs	49	78	29	49
Part-time hrs	6	5	19	18
All permanent	55	83	48	66
Casual				
Full-time hrs	16	8	7	6
Part-time hrs	29	10	44	28
All casual	45	18	52	34
All employees	100	100	100	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, & Q7. Base = Award-reliant employees, percentages by column, weights by employees (Employee weight C).

Table 4.42 shows the top five awards ranked by the number of award-reliant employees in this industry and compares with the proportion of all award-reliant employees who had their pay set by this award.

The *Manufacturing and Associated Industries and Occupations Award 2010* was used to set pay for 23 per cent of award-reliant employees in this industry (Table 4.42). The four other awards with the highest number of award-reliant employees in this industry were the *Clerks Private Sector Award*

2010 (15 per cent), the *Wine Industry Award 2010* (8 per cent), the *Restaurant Industry Award 2010* (6 per cent) and the *Food, Beverage and Tobacco Manufacturing Award 2010* (6 per cent). For four of these modern awards, the proportions in this industry were above the all industries average.

Table 4.42: Modern awards used to set pay for the five highest amounts of award-reliant employees in Manufacturing by award-reliant employees, percentages by column

	Percentage of award-reliant employees using this award	
	Manufacturing %	All industries %
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	23	6
<i>Clerks Private Sector Award 2010</i>	15	18
<i>Wine Industry Award 2010</i>	8	0
<i>Restaurant Industry Award 2010</i>	6	6
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	6	2

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = Award-reliant employees, cell percentages, weights by employees (Employee weight C).

The full list of awards used in this industry ranked by award-reliant employees is set out in Table F.41 in Appendix F.

4.5 Conclusion

This section has estimated the proportion of award-reliant employees across all non-public sector organisations and all award-reliant organisations. It found that 19 per cent of employees across the surveyed non-public sector organisations were award-reliant, and just over half (51 per cent) of employees in non-public sector award-reliant organisations were award-reliant.

The industries found to have the largest proportion of non-public sector award-reliant employees among their workforce were Accommodation and food services, Administrative and support services, Retail trade and Arts and recreation services. Medium and small organisations comprised the highest proportions of award-reliant employees among their workforce. Award-reliant employees comprised the highest proportion of employees in Tasmania and in regional/rural locations.

Within non-public sector award-reliant organisations, Accommodation and food services and Administrative and support services comprised the highest proportion of award-reliant employees, while Public administration and safety; Arts and recreation services and Education and training also had proportions higher than the average. Award-reliant micro organisations, award-reliant organisations in Tasmania and the Australian Capital Territory, and award-reliant organisations in regional/rural locations also had a higher proportion of award-reliant employees than the average.

This section also analysed the characteristics of non-public sector award-reliant employees. These were more likely to be female, employed on a casual basis and working part-time hours. There were four modern awards which were used by almost half of all non-public sector award-reliant employees. These were the *Hospitality Industry (General) Award 2010*; the *Clerks Private Sector Award 2010*; the *General Retail Industry Award 2010*; and the *Cleaning Services Award 2010*.

Retail trade, Accommodation and food services and Administrative and support services comprised the higher proportions of junior employees in the non-public sector. Construction, Other services and Retail trade comprised the highest proportion of apprentices. Health care and social assistance, Administrative and support services and Retail trade comprised the highest proportion of trainees,

while Health care and social assistance also comprised the highest proportion of employees paid under the supported wage system.

More detailed analysis was performed on the characteristics of non-public sector award-reliant employees in the five industries that comprise the highest proportion of award-reliant employees according to the ABS EEH 2012 Survey.⁷⁹ This analysis showed that award-reliant employees in Accommodation and food services and Retail trade were relatively more likely to be female, employed on a casual basis and working part-time hours. Award-reliant employees in Health care and social assistance and Administrative and support services were relatively more likely to be female, employed on a permanent basis and working part-time hours. Award-reliant employees in Manufacturing were relatively more likely to be male, employed on a permanent basis and working full-time hours.

The most detailed analysis concerned arrangements within award-reliant organisations in the non-public sector. The survey found that 25 per cent of organisations could be classified as award-reliant, and these organisations accounted for over one-third of private sector national system employees in the national workplace relations system. Within award-reliant organisations, over half of the employees were considered award-reliant. The degree of award reliance varied by organisation size. While micro organisations had the smallest proportion of award reliance (18 per cent as opposed to 44 per cent for medium and large organisations), within micro organisations 72 per cent were award-reliant, with another 27 per cent covered by individual arrangements and very few covered by enterprise agreements. Among large organisations, 40 per cent were award-reliant, 22 per cent were covered by enterprise agreements and 38 per cent were covered by individual arrangements.

The next chapter provides analysis of professional and other award-reliant employees on higher classifications.

⁷⁹ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

5 Professional and other award-reliant employees on higher classifications

In its *Annual Wage Review 2010–11* decision, the Panel stated that available data suggest that many award-reliant employees have their wages set at award rates higher up the classification scales.⁸⁰ The form of wage increases over recent times has compressed wages higher up the wage classifications compared with the minimum wage. To address the Panel's consideration of wage relativities for award classifications higher up the scales, a particular focus of the Award Reliance Survey was to investigate the incidence and characteristics of professional and other award-reliant employees on higher classifications. This chapter presents new empirical evidence on the proportion of adult award-reliant employees who have their pay set at award rates higher up the classification scales. The findings in this chapter were restricted to analysis of the employees working in the 2781 organisations that provided detailed award wages data, i.e. the second stage of the survey.⁸¹

Before presenting the findings, it is first necessary to outline the definition of higher classifications. To promote consistency, our definition is drawn from Maltman and Dunn (2012) whose qualitative research project investigated the various factors that lead to award reliance at higher classifications and the prevalence of award reliance at higher classifications. In defining higher award classifications, Maltman and Dunn drew on a number of sources including the Fair Work Act, annual wage review decisions, materials from the award modernisation process, modern awards and other data.⁸² A higher classification award-reliant employee was defined as any employee whose pay was above the C10 rate in the *Manufacturing and Associated Industries and Occupations Award 2010*. At the time of conducting the award reliance project, this meant that a higher classification award-reliant employee was paid a basic hourly rate of more than \$18.60.⁸³ The equivalent casual rate was more than \$23.25 per hour, the equivalent weekly rate was more than \$707.00 and the equivalent annual rate was \$36,720 per annum. By definition, employees who were paid at or less than \$18.60 per hour (or equivalent) were categorised as 'lower classification'.⁸⁴ To understand where higher classification employees are located in the labour market, estimates using the ABS EEH 2012 Survey of median wages for full-time adult employees are as follows: median hourly earnings were \$30.56, and median weekly earnings were \$1210. On an annualised basis this was the equivalent of \$62,923.⁸⁵

This report finds that 25 per cent of adult award-reliant employees in the non-public sector were receiving higher classification award rates of pay. However, the higher the hourly wage rate, the smaller the proportion of adult award-reliant employees in the non-public sector found to receive this wage rate.

Adult higher classification employees comprised a higher proportion in non-public sectors in Education and training and Health care and social assistance, among micro organisations and in regional/rural locations. As a proportion of all adult higher classification employees in the non-public sector, a larger proportion were found on the *Social, Community, Home Care and Disability Services Industry Award 2010*, the *Hospitality Industry (General) Award 2010* and the *Clerks Private Sector*

⁸⁰ *Annual Wage Review 2010–11* decision [2011] FWA FB 3400 (3 June 2011), para. 307.

⁸¹ Data collected from Questions, 5, 6A and 7 of the online survey were used to calculate the breakdown of higher and lower classification employees presented in this chapter.

⁸² Maltman K and Dunn A (2012), *Higher classification/professional employee award reliance qualitative research: Interim report*, Research Report No. 4/2012, February, Fair Work Australia, Melbourne, p. 5.

⁸³ Rounded up from \$18.58 to \$18.60, as outlined in Chapter 2.

⁸⁴ Data collected from Question 7 of the detailed collection of award wage data survey was used to calculate the breakdown of higher and lower classification employees presented in Tables 4.3.1 and 4.3.2.

⁸⁵ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0. Median weekly total cash earnings adjusted for average total paid hours.

Award 2010. Within modern awards, a larger proportion of adult higher classification employees were found on the *Passenger Vehicle Transportation Award 2010*, the *Social, Community, Home Care and Disability Services Industry Award 2010*, and the *Educational Services (Post-Secondary Education) Award 2010*.

Adult award-reliant employees in the non-public sector paid rates set by awards with professional classifications were relatively more likely to be female and employed on a permanent basis. Adult employees on higher classifications were relatively more likely to be working part-time hours, while employees on lower classifications were relatively more likely to be working full-time hours. While most adult employees on higher classifications in awards with professional classifications were earning an hourly rate just above \$18.60, females were relatively more likely than males to earn over \$25.00 per hour.

A higher proportion of non-public sector award-reliant organisations with more than three-quarters but fewer than 100 per cent of their award-reliant workforce on higher classifications reported having labour costs comprise over 50 per cent of operating expenses. A higher proportion of these organisations also reported government organisations as their main source of revenue, a shortage of skilled workers only and an increase in their workforce. A higher proportion of non-public sector award-reliant organisations with more than half of their award-reliant employees on higher classifications operated in both the local area and outside their local area.

Section 5.1 identifies professional and other adult award-reliant employees on higher classifications in the non-public sector. Section 5.2 discusses the characteristics of award-reliant employees on awards with professional classifications. Section 5.3 presents the characteristics of organisations employing professional and other adult award-reliant employees on higher classifications. Section 5.4 concludes the chapter.

5.1 Identifying professional and other adult award-reliant employees on higher classifications

This section describes some of the characteristics of adult non-public sector award-reliant employees on higher classifications. Table 5.1 consolidates the key material relevant to this section. It shows that if the rate for the C10 classification in the *Manufacturing and Associated Industries and Occupations Award 2010* is taken as a benchmark, 25 per cent of adult award-reliant employees in the non-public sector would be considered to be on higher classifications.

When interpreting these data it is important to keep these award rates in perspective. Only 1 per cent of adult award-reliant employees were found to earn \$30.00 or more per hour. This is currently very close to the median hourly rate of pay (\$30.56 per hour according to the ABS EEH 2012 Survey⁸⁶). Therefore, this survey found that most professional and other adult award-reliant employees on higher classifications earned between \$18.60 and \$19.99 per hour.

⁸⁶ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

Table 5.1: Distribution of adult award-reliant employees across higher award classification rates of pay, all adult award-reliant employees and those covered by awards with professional classifications

Base hourly wage range (or equivalent)	Percentage of all adult award-reliant employees	Percentage of adult award-reliant employees covered by awards with professional classifications
Less than \$18.60	75	0
\$18.60 to \$19.99	12	42
\$20.00 to \$21.99	8	22
\$22.00 to \$24.99	3	16
\$25.00 to 29.99	1	11
Over \$30.00	1	9
Total	100	100

Dataset: Detailed award-wages dataset C. Questions: CATI 15, Online Q3, & Q7. Base = Adult award-reliant employees, percentages by row, weights by employees (Employee weight C).

5.1.1 Higher and lower classifications by industry

Across all adult award-reliant employees in the non-public sector, 25 per cent were found to be paid at higher classification rates (i.e. higher than the C10 rate of \$18.60 per hour) and three-quarters were found to be paid at lower classification rates.

Table 5.2 sets out award reliance by higher and lower classifications in the non-public sector by industry. The data in this table are ranked in industry order from the highest to lowest in terms of the proportion of adult award-reliant employees paid at higher classifications.

The proportion of adult employees paid at higher and lower classification levels varied considerably between industries. The industry with the highest proportion of adult employees on higher classifications was Education and training (74 per cent), followed by Health care and social assistance (68 per cent) and Transport, postal and warehousing (53 per cent). The industry with the lowest proportion of adult employees in higher classifications was Electricity, gas, water and waste services (all in lower classifications).

Industries with a relatively high proportion of adult award-reliant employees tended to have a lower proportion of employees on higher classifications. The proportion of higher classification adult employees in Retail trade (12 per cent), Administrative and support services (14 per cent) and Accommodation and food services (16 per cent) were lower than the all industries average, however, the proportions were above the all industries average in Health care and social assistance and equal to the average for Manufacturing.

Table 5.2: Adult award-reliant workforce in higher and lower classifications by industry, percentages by row

	Percentage of adult award-reliant workforce		Total
	Higher classifications	Lower classifications	
Education and training	74	26	100
Health care and social assistance	68	32	100
Transport, postal and warehousing	53	47	100
Other services	40	60	100
Public administration and safety	39	61	100
Information media and telecommunications	38	62	100
Mining	38	62	100
Construction	35	65	100
Professional, scientific and technical services	34	66	100
Arts and recreation services	28	72	100
Manufacturing	25	75	100
Rental, hiring and real estate services	24	76	100
Financial and insurance services	23	77	100
Wholesale trade	22	78	100
Accommodation and food services	16	84	100
Administrative and support services	14	86	100
Retail trade	12	88	100
Electricity, gas, water and waste services	0	100	100
All industries	25	75	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q3 & Q7. Base = Adult award-reliant employees, percentages by row, weights by employees (Employee weight C).

5.1.2 Higher and lower classifications by organisation size

Table 5.3 sets out the adult award-reliant workforce in the non-public sector by higher and lower classifications based on organisation size. Organisations with fewer than 100 employees had a higher proportion of their adult award-reliant workforce on higher classifications than large organisations. These organisation sizes all had an above average proportion of their adult award-reliant workforce on higher classifications. Micro organisations had the highest proportion of adult employees on higher classifications (32 per cent) followed by medium organisations (29 per cent).

Table 5.3: Adult award-reliant workforce by higher and lower classification by size of organisation, percentages by row

Organisation size	Percentage of adult award-reliant workforce		Total
	Higher classifications	Lower classifications	
Micro	32	68	100
Small	26	74	100
Medium	29	71	100
Large	20	80	100
All organisations	25	75	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3 & Q7. Base = Adult award-reliant employees, percentages by row, weights by employees (Employee weight C).

5.1.3 Higher and lower classifications by location

Among non-public sector organisations in regional/rural locations, there was a higher proportion of adult employees in higher classifications (28 per cent) compared with organisations in metropolitan locations (23 per cent), (Table 5.4).

Table 5.4: Adult award-reliant workforce by higher and lower classification by location, percentages by row

Location	Percentage of adult award-reliant workforce		Total
	Higher classifications	Lower classifications	
Metropolitan	23	77	100
Regional/Rural	28	72	100
All locations	25	75	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q11, Q12, Q13 Q15. Online Q2, Q2A, Q3 & Q7. Base = Adult award-reliant employees, percentages by row, weights by employees (Employee weight C).

5.1.4 Higher and lower classifications by state or territory of organisation

The proportion of employees in higher and lower classifications in the non-public sector varied according to the state or territory of the organisation. The lowest proportion of higher classification employees was for organisations in the Northern Territory (9 per cent) followed by Tasmania (17 per cent). This compares with 31 per cent in higher classifications in organisations located in New South Wales, the only state to have an above average proportion on higher classifications (see Table 5.5). The remaining states and territory had between 21 per cent and 24 per cent of their award-reliant workforce on higher classifications.

Table 5.5: Adult award-reliant workforce by higher and lower classification by state or territory, percentages by row

State or territory	Percentage of adult award-reliant workforce		
	Higher classifications	Lower classifications	Total
New South Wales	31	69	100
Victoria	21	79	100
Queensland	24	76	100
Western Australia	22	78	100
South Australia	24	76	100
Tasmania	17	83	100
Northern Territory	9	91	100
Australian Capital Territory	22	78	100
All states and territories	25	75	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q10 & Q15, Online Q2, Q2A, Q3, & Q7. Base = Adult award-reliant employees, percentages by row, weights by employees (Employee weight C).

5.1.5 Breakdown of employees in higher and lower classifications in top 25 modern awards

Table 5.6 sets out the proportion of adult employees in the non-public sector paid at higher and lower classifications across the 25 modern awards with the highest number of adult award-reliant employees. The data presented in Table 5.6 is ranked by award from the highest to the lowest proportion of adult employees on higher classification levels.

Of the 25 modern awards with the highest number of adult award-reliant employees, the three with the highest proportion of higher classification award-reliant employees were the *Social, Community, Home Care and Disability Services Award 2010* (12 per cent), the *Hospitality Industry (General) Award 2010* (11 per cent) and the *Clerks Private Sector Award 2010* (11 per cent). Together, these three modern awards accounted for approximately one-third of all adult award-reliant employees on higher award classifications. The *Children's Services Award 2010* (7 per cent) and the *General Retail Award 2010* (6 per cent) also comprised a relatively high proportion of all adult employees on higher classifications.

The proportion of adult higher classification employees was higher than the proportion of all adult award-reliant employees for the *Social, Community, Home Care and Disability Services Award 2010*, the *Clerks Private Sector Award 2010* and the *Children's Services Award 2010*. The proportion of adult higher classification employees was lower than the proportion of all adult award-reliant employees for the *Hospitality Industry (General) Award 2010*, the *General Retail Award 2010* and the *Cleaning Services Award 2010*.

Table 5.6: Mix of higher and lower classification levels among adult award-reliant employees across the 25 modern awards with the highest number of adult award-reliant employees, percentages by column

	Percentage of adults in higher and lower award classifications		
	Higher classifications	Lower classifications	All classifications
	%	%	%
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	12	1	4
<i>Hospitality Industry (General) Award 2010</i>	11	25	21
<i>Clerks Private Sector Award 2010</i>	11	2	4
<i>Children's Services Award 2010</i>	7	2	3
<i>General Retail Industry Award 2010</i>	6	16	13
<i>Restaurant Industry Award 2010</i>	3	5	4
<i>Registered and Licensed Clubs Award 2010</i>	3	3	3
<i>Health Professionals and Support Services Award 2010</i>	3	1	2
<i>Building and Construction General On-site Award 2010</i>	3	1	2
<i>Security Services Industry Award 2010</i>	3	1	1
<i>Educational Services (Post-Secondary Education) Award 2010</i>	3	<1	1
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	2	2	2
<i>Road Transport and Distribution Award 2010</i>	2	1	1
<i>Passenger Vehicle Transportation Award 2010</i>	2	0	1
<i>Cleaning Services Award 2010</i>	1	15	12
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	1	4	3
<i>Pharmacy Industry Award 2010</i>	1	2	1
<i>Storage Services and Wholesale Award 2010</i>	<1	2	1
<i>Fast Food Industry Award 2010</i>	<1	2	1
<i>Aged Care Award 2010</i>	1	2	1
<i>Real Estate Industry Award 2010</i>	1	1	1
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	<1	1	1

	Percentage of adults in higher and lower award classifications		
	Higher classifications	Lower classifications	All classifications
	%	%	%
<i>Meat Industry Award 2010</i>	<1	1	1
<i>Hair and Beauty Industry Award 2010</i>	1	<1	1
<i>Gardening and Landscaping Services Award 2010</i>	<1	1	1
Other awards (outside top 25)	17	8	10
Don't know name of award	3	<1	1
Total	100	100	100

Dataset: Detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees, percentages by column, weights by employees (Employee weight C).

Another way to consider the breakdown of higher and lower classifications is by looking at the proportion of adult employees in these two categories *within* an award. Table 5.7 sets out the proportion of non-public sector adult employees in higher and lower classifications for the 25 awards with the highest number of adult award-reliant employees.

In seven of the top 25 modern awards, more than half of the adult employees were paid rates at higher classifications: the *Passenger Vehicle Transportation Award 2010* (88 per cent), the *Social, Community, Home Care and Disability Services Industry Award 2010* (79 per cent), the *Educational Services (Post Secondary Education) Award 2010* (75 per cent), the *Security Services Industry Award 2010* (63 per cent), the *Clerks Private Sector Award 2010* (67 per cent), the *Children's Services Award 2010* (58 per cent) and the *Health Professionals and Support Services Award 2010* (53 per cent).

The *Cleaning Services Award 2010* (3 per cent), the *Fast Food Industry Award 2010* (7 per cent), the *General Retail Industry Award 2010* (11 per cent), and the *Hospitality Industry (General) Award 2010* (13 per cent) had relatively low proportions of adult employees on higher classifications.

Table 5.7: Mix of higher and lower classification levels among adult award-reliant employees within the 25 modern awards with the highest number of adult award-reliant employees, percentages by row

	Percentage of adult employees in higher and lower award classifications		
	Higher classifications	Lower classifications	All classifications
	%	%	%
<i>Passenger Vehicle Transportation Award 2010</i>	88	12	100
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	79	21	100
<i>Educational Services (Post-Secondary Education) Award 2010</i>	75	25	100

	Percentage of adult employees in higher and lower award classifications		
	Higher classifications	Lower classifications	All classifications
	%	%	%
<i>Clerks Private Sector Award 2010</i>	67	33	100
<i>Security Services Industry Award 2010</i>	63	37	100
<i>Children's Services Award 2010</i>	58	42	100
<i>Health Professionals and Support Services Award 2010</i>	53	47	100
<i>Hair and Beauty Industry Award 2010</i>	45	55	100
<i>Building and Construction General On-site Award 2010</i>	43	57	100
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	29	71	100
<i>Road Transport and Distribution Award 2010</i>	28	72	100
<i>Registered and Licensed Clubs Award 2010</i>	26	74	100
<i>Restaurant Industry Award 2010</i>	17	83	100
<i>Pharmacy Industry Award 2010</i>	16	84	100
<i>Meat Industry Award 2010</i>	16	84	100
<i>Aged Care Award 2010</i>	15	85	100
<i>Real Estate Industry Award 2010</i>	14	86	100
<i>Hospitality Industry (General) Award 2010</i>	13	87	100
<i>General Retail Industry Award 2010</i>	11	89	100
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	10	90	100
<i>Fast Food Industry Award 2010</i>	7	93	100
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	7	93	100
<i>Cleaning Services Award 2010</i>	3	97	100
<i>Storage Services and Wholesale Award 2010</i>	1	99	100
<i>Gardening and Landscaping Services Award 2010</i>	<1	100	100
Other awards (outside top 25)	43	57	100
Don't know name of award	98	2	100
Total	25	75	100

Dataset: Detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees, percentages by row, weights by employees (Employee weight C).

5.2 Characteristics of professional and other adult award-reliant employees

This section presents an analysis of the characteristics of professional and other adult award-reliant employees in the non-public on higher classifications. First, it looks at the modern awards that cover these employees, followed by characteristics of these employees such as gender, form of employment (permanent or casual) and usual weekly paid hours of work (full-time or part-time).

The analysis in this section examines only adult higher classification employees from awards containing professional classifications, where professional classifications comprise those in positions requiring tertiary/university level qualifications (excluding vocational education and training qualifications) or highly specialised knowledge or skills. Our analysis of the likely characteristics of adult professional award-reliant employees is based on the subset of higher classification award-reliant employees who are employed on one of the 22 modern awards that contain professional classifications and which were used by the employers responding to the online survey.

The 22 modern awards containing professional classifications are presented in Table 5.8. The data in the middle column of this table lists, from highest to lowest, the overall proportion of award-reliant employees in higher classifications across the 22 modern awards containing professional classifications. The five awards with professional classifications and which have the highest overall proportion of adult higher classification employees are the *Social, Community, Home Care and Disability Services Industry Award 2010* (42 per cent), the *Health Professional and Support Services Award 2010* (11 per cent), the *Educational Services (Post-Secondary Education) Award 2010* (10 per cent), the *Manufacturing and Associated Industries and Occupations Award 2010* (8 per cent), and the *Nurses Award 2010* (4 per cent) (Table 5.8). Of these five awards, all except the *Nurses Award 2010* are in the top 25 overall awards for adult award-reliant employees.

The column on the far right in Table 5.8 shows the proportion of award-reliant employees found in higher classifications within each of the 22 modern awards containing professional classifications. Overall, 57 per cent of award-reliant employees paid rates set by this award were found in higher classifications. For five of the 22 awards containing professional classifications, all of the award-reliant employees were found in higher classifications: the *Journalists Published Media Award 2010*, the *Professional Employees Award 2010*, the *Higher Education Industry Award 2010*, the *Architects Award 2010* and the *Medical Practitioners Award 2010*. Almost all (99 per cent) of the award-reliant employees paid rates set by the *Educational Services (Teachers) Award 2010* were found in higher classifications.

In a further six awards, around three-quarters or more of the award-reliant employees were found in higher classifications: the *Nurses Award 2010* (84 per cent), the *Aboriginal Community Controlled Health Services Award 2010* (81 per cent), the *Animal Care and Veterinary Services Award 2010* (79 per cent), the *Social, Community, Home Care and Disability Services Industry Award 2010* (79 per cent), the *Educational Services (Post-Secondary Education) Award 2010* (75 per cent) and the *Banking, Finance and Insurance Award 2010* (73 per cent).

Less than one-fifth of award-reliant employees were found in higher classifications in the *Pharmacy Industry Award 2010* (16 per cent) and the *Graphic Arts, Printing and Publishing Award 2010* (17 per cent). Less than one-quarter of award-reliant employees were found in higher classifications in a further three awards: the *Live Performance Award 2010* (22 per cent), the *Manufacturing and Associated Industries and Occupations Award 2010* (29 per cent) and the *Broadcasting and Recorded Entertainment Award 2010* (32 per cent).

Table 5.8: Modern awards with professional classifications, by percentage of adult employees in higher classifications, percentages by column and row

	Percentage of award-reliant employees in higher classifications	
	Across all awards with professional classifications	Within award with professional classifications
	%	%
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	42	79
<i>Health Professionals and Support Services Award 2010</i>	11	53
<i>Educational Services (Post-Secondary Education) Award 2010</i>	10	75
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	8	29
<i>Nurses Award 2010</i>	4	84
<i>Educational Services (Teachers) Award 2010</i>	3	99
<i>Pharmacy Industry Award 2010</i>	3	16
<i>Animal Care and Veterinary Services Award 2010</i>	3	79
<i>Legal Services Award 2010</i>	2	54
<i>Journalists Published Media Award 2010</i>	2	100
<i>Professional Employees Award 2010</i>	2	100
<i>Banking, Finance and Insurance Award 2010</i>	2	73
<i>Graphic Arts, Printing and Publishing Award 2010</i>	1	17
<i>Aboriginal Community Controlled Health Services Award 2010</i>	1	81
<i>Local Government Industry Award 2010</i>	1	65
<i>Higher Education Industry</i>	1	100
<i>Air Pilots Award 2010</i>	1	43
<i>State Government Agencies Administration Award 2010</i>	1	58
<i>Architects Award 2010</i>	1	100
<i>Medical Practitioners Award 2010</i>	1	100
<i>Live Performance Award 2010</i>	<1	22
<i>Broadcasting and Recorded Entertainment Award 2010</i>	<1	32
Total	100	57

Dataset: Detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = award-reliant employees on modern awards containing professional categories, weights by employees (Employee weight C). Respondents did not specify whether references made to the Higher Education Industry award was to the *Higher Education Industry—Academic Staff—Award 2010* or the *Higher Education Industry—General Staff—Award 2010*.

Table 5.9 shows that professional award-reliant employees and other adult award-reliant employees on higher classifications were more likely to be female, more likely to be employed on a permanent basis, and more likely to be working full-time, than all adult award-reliant employees.

Nearly three-quarters (73 per cent) of adult employees on awards with professional classifications, and who are on professional or higher classifications, were female. This is similar to the proportion of adult employees on lower classifications for awards with professional classifications (74 per cent), and is higher than the proportion of females (59 per cent) among all adult employees in the sample who were award-reliant.

Permanent employees also made up nearly three-quarters (73 per cent) of higher classification employees on awards with professional classifications. This was higher than the proportion of lower

classification employees on awards with professional classifications employed on a permanent basis (53 per cent). Both of these proportions were higher than the proportions of all adult award-reliant employees employed on a permanent basis (48 per cent). Around one-quarter (27 per cent) of higher classification employees on awards with professional qualifications were employed on a casual basis, compared with more than half (52 per cent) of all adult award-reliant employees.

In total, over 40 per cent of higher classification employees on awards with professional classifications worked full-time hours. This was less than the proportion of adult lower classification employees on the same awards who worked full-time (46 per cent) but larger than the proportion of all adult award-reliant employees who were reported as working full-time (36 per cent).

Table 5.9: Characteristics of adult award-reliant employees in modern awards with professional classifications, percentages by column

Characteristic	Percentage of adult employees on awards with professional classifications			Percentage of adult award-reliant employees
	Higher classifications	Lower classifications	All classifications	
Females				
Permanent				
Full-time hrs	25	24	25	13
Part-time hrs	30	18	25	14
All permanent	55	42	50	27
Casual				
Full-time hrs	3	3	3	3
Part-time hrs	16	28	21	29
All casual	18	31	24	32
All females	73	74	73	59
Male				
Permanent				
Full-time hrs	11	10	11	16
Part-time hrs	7	1	4	5
All permanent	18	11	15	21
Casual				
Full-time hrs	3	9	5	4
Part-time hrs	6	7	6	15
All casual	9	15	12	19
All males	27	26	27	41
All employees				
Permanent				
Full-time hrs	36	34	36	29
Part-time hrs	36	19	29	19
All permanent	73	53	64	48
Casual				
Full-time hrs	5	12	8	7
Part-time hrs	22	35	27	44

Characteristic	Percentage of adult employees on awards with professional classifications			Percentage of adult award-reliant employees
	Higher classifications	Lower classifications	All classifications	
All casual	27	47	36	52
All employees	100	100	100	100

Dataset: Detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees on modern awards containing professional categories, weights by employees (Employee weight C).

Results from the online survey also provide an indication of the distribution of hourly wages of adult higher classification employees on awards with professional classifications. The results are summarised in Table 5.10. Around 42 per cent of adult higher classification award-reliant employees on awards with professional classifications were paid between \$18.60 and \$19.99 an hour, with a further 22 per cent paid between \$20.00 and \$21.99. Less than one in ten (9 per cent) of adult employees on higher classifications were paid \$30.00 or more an hour. A larger proportion of females (44 per cent) received \$22.00 an hour or more than males (30 per cent).

A higher proportion of adult casual employees were paid between \$18.60 and \$19.99 an hour (58 per cent) than adult permanent employees (36 per cent). However, a higher proportion of adult permanent employees (43 per cent) received \$22.00 or more than adult casual employees (18 per cent). Additionally, adult full-time workers were more likely than adult part-time workers to be employed in higher pay ranges. For example, more than half (54 per cent) of adult female permanent full-time employees were paid at \$22.00 an hour or more, compared with 36 per cent of adult female permanent part-time employees. The results were similar for adult male permanent employees (47 per cent versus 24 per cent).

In summary, a higher proportion of adult females and males employed on a permanent basis and working full-time hours received higher pay in awards containing professional classifications.

Table 5.10: Pay distribution of adult higher classification award-reliant employees and their characteristics in modern awards with professional classifications, percentages by row

	Percentage of adult higher classification employees					
	\$18.60 to \$19.99	\$20.00 to \$21.99	\$22.00 to \$24.99	\$25.00 to \$29.99	Over \$30.00	All higher
Females						
Permanent						
Full-time hrs	29	18	17	21	16	100
Part-time hrs	41	24	15	9	12	100
All permanent	35	21	16	15	14	100
Casual						
Full-time hrs	49	25	24	0	2	100
Part-time hrs	58	22	10	4	6	100
All casual	57	23	12	3	5	100
All females	41	21	15	12	12	100
Male						
Permanent						
Full-time hrs	28	25	23	18	6	100
Part-time hrs	56	20	17	4	3	100
All permanent	39	23	21	13	5	100
Casual						
Full-time hrs	71	26	3	1	0	100
Part-time hrs	57	25	17	0	1	100
All casual	61	25	12	0	1	100
All males	47	24	18	9	3	100
All employees						
Permanent						
Full-time hrs	29	20	19	20	13	100
Part-time hrs	44	23	15	8	10	100
All permanent	36	21	17	14	11	100
Casual						
Full-time hrs	60	25	13	1	1	100
Part-time hrs	58	23	12	3	4	100
All casual	58	23	12	2	4	100
All employees	42	22	16	11	9	100

Dataset: Detailed award-wages dataset C. Questions: CATI Q15. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees on awards containing professional categories, percentages by row, weights by employees (Employee weight C).

5.3 Characteristics of organisations employing professional and other adult award-reliant employees on higher classifications

There has been limited research on the business characteristics of award-reliant organisations. For this reason, all award-reliant organisations were asked a series of questions about the business characteristics of their organisations.⁸⁷ The analysis in this chapter focuses on results from non-public sector organisations employing at least some of their workforce on these awards.

Three groups of business metrics are reported here: financial (labour costs as a proportion of operating expenses, main revenue stream, and profitability); workforce (labour market conditions, workforce expansion); and operational (geographic markets of operation, years of operation under current ownership and hours of operation).⁸⁸

The tables in this section are presented by the degree or proportion of an organisation's adult award-reliant workforce that is on higher classifications. Taken together, the business characteristics suggest that organisations with less than half of all adult award-reliant employees in higher classifications generally performed differently to organisations with more than half of their adult award-reliant employees on higher classifications, who were more likely to have labour costs represent between 50 per cent and less than 75 per cent of operating expenses, less likely to have their main revenue stream from the general public or consumers, and more likely to operate in both the local and outside areas.

Table 5.11 shows that award-reliant organisations with more than half of their adult workforce on higher classifications reported a higher proportion of labour costs comprising between 50 per cent and less than 75 per cent of operating expenses. Award-reliant organisations with less than half of their adult workforce on higher classifications were more likely to report that labour costs comprised between 25 per cent and less than 50 per cent of operating expenses. However, a relatively large proportion reported they did not know, or refused to answer this question, across all organisations.

Table 5.11: Labour costs in award-reliant organisations by adult award reliance on higher classification jobs, percentages by column within metric

	Percentage of adult award-reliant workforce on higher classification					
	No higher	Less than ¼	From ¼ to less than ½	From ½ to less than ¾	From ¾ to less than all	All higher
Labour costs as percentage of operating expenses						
Less than 25%	18	15	18	15	6	15
Between 25% and less than 50%	30	41	28	18	18	30
Between 50% and less than 75%	16	11	13	23	35	22
More than 75%	4	6	5	3	17	3
Don't know/Refused	32	27	36	41	24	30
Total	100	100	100	100	100	100

Dataset: CATI dataset B cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15 & Q23 to Q31 Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees, percentages by column, weights by employees (Employee weight C).

⁸⁷ Questions 23–31 of the CATI Survey questionnaire.

⁸⁸ Data collected from Question 7 of the CATI Survey was used to calculate the breakdown of higher and lower classification employees.

For most organisations, the general public comprised their main revenue stream (Table 5.12). However, organisations with up to half of their award-reliant workforce in higher classifications reported a higher proportion with the general public as their main revenue stream, relatively more than organisations with over half of their award-reliant workforce on higher classifications, who were relatively more reliant on government organisations for revenue. Around 24 per cent of organisations with more than three-quarters but less than 100 per cent of their award-reliant workforce on higher classifications reported that government organisations were their main revenue stream.

Table 5.12: Main revenue stream in award-reliant organisations by adult award reliance in higher classification jobs, percentages by column within metric

	Percentage of adult award-reliant workforce on higher classification					
	No higher	Less than ¼	From ¼ to less than ½	From ½ to less than ¾	From ¾ to less than all	All higher
Main revenue stream						
The general public—consumers	67	69	72	54	50	53
Small- or medium-sized organisations	17	13	11	22	13	20
Large organisations	7	7	10	14	9	11
Government organisations	2	5	3	7	24	10
Don't know/Refused	7	6	4	3	4	6
Total	100	100	100	100	100	100

Dataset: CATI dataset B cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15 & Q16. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees, percentages by column, weights by employees (Employee weight C).

Table 5.13 shows that most organisations reported a profit or surplus in the previous financial year. However, there was no consistent relationship found between the percentage of the adult award-reliant workforce in higher classifications and whether the organisation reported a profit or surplus in the previous financial year. Organisations with less than half of their adult award-reliant workforce on higher classification were more likely to report a profit or surplus. Organisations with no higher classification employees and those with all of their adult award-reliant employees on higher classifications were relatively more likely to report a loss or deficit.

Table 5.13: Profitability of award-reliant organisations by adult award reliance in higher classification jobs, percentages by column

	Percentage of adult award-reliant workforce in higher classification					
	No higher	Less than ¼	From ¼ to less than ½	From ½ to less than ¾	From ¾ to less than all	All higher
Profit/surplus in last financial year						
Profit/surplus	63	68	68	56	66	60
Loss/deficit	25	16	19	21	20	27
Did not operate	0	0	0	0	0	1
Don't know/Refused	12	16	13	23	14	12
Total	100	100	100	100	100	100

Dataset: CATI dataset B cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15 & Q27. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees, percentages by column, weights by employees (Employee weight C).

Table 5.14 indicates that there was only minor variation in the labour market conditions reported by organisations with different proportions of adult award-reliant employees in higher classification jobs. At least two-thirds of organisations in all categories reported that they had an adequate supply of workers. Organisations with more than three-quarters of the adult award-reliant workforce on higher classifications were the least likely to report an adequate supply (68 per cent) and most likely to report a shortage of skilled workers (22 per cent). Organisations with less than one-quarter of their adult workforce on higher classifications were the most likely to report a shortage of workers at all skill levels.

Table 5.14: Profitability of award-reliant organisations by adult award reliance in higher classification jobs, percentages by column

	Percentage of adult award-reliant workforce in higher classification					
	No higher	Less than ¼	From ¼ to less than ½	From ½ to less than ¾	From ¾ to less than all	All higher
Labour market conditions						
Adequate supply	75	72	75	76	68	73
Shortage of skilled workers only	12	15	17	18	22	17
Shortage of lower/unskilled workers only	5	3	2	2	5	1
Shortage at all skill levels	7	10	6	4	5	6
Don't know/Refused	1	0	0	0	0	3
Total	100	100	100	100	100	100

Dataset: CATI dataset B cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15 & Q30. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees, percentages by column, weights by employees (Employee weight C).

Most organisations, regardless of the percentage of adult award-reliant employees on higher classifications, reported that the size of their workforce had stayed the same in the past year (Table 5.15). Organisations with more than three-quarters of their adult award-reliant workforce in higher classifications reported the highest incidence of organisations increasing their workforce (29 per cent) and the lowest incidence of organisations reducing their workforce (17 per cent). Organisations with

no higher classification employees were the most likely to report reducing their workforce (26 per cent).

Table 5.15: Workforce expansion in award-reliant organisations by adult award reliance in higher classification jobs, percentages by column

	Percentage of adult award-reliant workforce in higher classification					
	No higher	Less than ¼	From ¼ to less than ½	From ½ to less than ¾	From ¾ to less than all	All higher
Workforce expansion						
Increased	18	24	21	17	29	20
Reduced	26	22	22	24	17	24
Stayed the same	52	51	55	57	54	54
Don't know/Refused	4	3	2	2	0	2
Total	100	100	100	100	100	100

Dataset: CATI dataset B cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15 & Q29. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees, percentages by column, weights by employees (Employee weight C).

Regarding geographic markets, Table 5.16 shows a distinction between organisations with at least half of their adult award-reliant workforce on higher classifications and those with less than half on higher classifications. Organisations with less than half of their adult workforce on higher classifications were relatively more likely to operate in the local area only, while those with more than half of their workforce on higher classifications were more likely to operate both in the local area and outside the local area. Over three-quarters of organisations with less than half of the adult workforce on higher classifications (including no higher) operated in the local area only and less than two-thirds of organisations with more than half their adult workforce operated in the local area only. In contrast, more than one-third of organisations with more than half of their adult award-reliant employees on higher classifications reported that they operated in both the local area and outside the local area.

Table 5.16: Geographic markets of award-reliant organisations by adult award reliance in higher classification jobs, percentages by column

	Percentage of adult award-reliant workforce in higher classification					
	No higher	Less than ¼	From ¼ to less than ½	From ½ to less than ¾	From ¾ to less than all	All higher
Geographic markets operating in						
Local only	77	78	76	59	60	64
Outside local area	2	2	2	4	7	2
Both	21	20	22	37	33	34
Total	100	100	100	100	100	100

Dataset: CATI dataset B cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15 & Q25. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees, percentages by column, weights by employees (Employee weight C).

Regardless of the proportion of adult award-reliant employees on higher classifications, a majority of organisations responding to the survey operated outside standard operating hours (Table 5.17). The organisations that were most likely to operate in standard operating hours only were organisations where the entire adult award-reliant workforce was on higher classification jobs (43 per cent) and organisations where between one-half and three-quarters of adult award-reliant employees were on higher classifications (39 per cent). Nearly all (96 per cent) organisations where less than one-quarter

of adult award-reliant employees were on higher classifications reported operating outside standard operating hours.

Table 5.17: Hours of operation of award-reliant organisations by adult award reliance in higher classification jobs, percentages by column

Hours of operation	Percentage of adult award-reliant workforce in higher classification					
	No higher	Less than $\frac{1}{4}$	From $\frac{1}{4}$ to less than $\frac{1}{2}$	From $\frac{1}{2}$ to less than $\frac{3}{4}$	From $\frac{3}{4}$ to less than all	All higher
Standard operating hours [#]	24	4	25	39	25	43
Outside standard operating hours	76	96	75	61	75	57
Total	100	100	100	100	100	100

Dataset: CATI dataset B cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15 & Q24. Online Q2, Q2A, Q3, Q6A & Q7. Base = award-reliant employees, percentages by column, weights by employees (Employee weight C).

[#]Standard operating hours were defined as Monday to Friday, up to 50 hours per week.

There does not appear to be a relationship between the percentage of the adult award-reliant workforce on higher classifications and an organisation's years of operation under the current ownership. Most organisations, irrespective of the percentage of the adult award-reliant workforce in higher classifications, had been operating under their current ownership for more than five years (Table 5.18). Organisations with between one-quarter and one-half of their adult employees on higher classifications were the most likely to have operated for more than five years. All organisations with more than three-quarters of their adult employees on higher classifications had been operating for over one year.

Table 5.18: Years of operation of award-reliant organisations by adult award reliance in higher classification jobs, percentages by column

Years of operation under current ownership	Percentage of adult award-reliant workforce in higher classification					
	No higher	Less than $\frac{1}{4}$	From $\frac{1}{4}$ to less than $\frac{1}{2}$	From $\frac{1}{2}$ to less than $\frac{3}{4}$	From $\frac{3}{4}$ to less than all	All higher
Less than 1 year	4	3	3	2	0	0
1 year to less than 2 years	4	2	1	3	5	3
2 years to less than 5 years	15	11	5	18	19	6
More than 5 years	77	84	91	77	76	87
Don't know/Refused	0	0	0	0	0	0
Total	100	100	100	100	100	100

Dataset: CATI dataset B cross-tabulated with detailed award-wages dataset C. Questions: CATI Q15 & Q23. Online Q2, Q2A, Q3, Q6A & Q7. Base = Adult award-reliant employees, percentages by column, weights by employees (Employee weight C).

5.4 Conclusion

This chapter has explored the characteristics of professional and other adult award-reliant employees in non-public sector organisations who were paid higher classifications and the business characteristics of non-public sector organisations that employ workers on higher classifications.

While higher classification employees in the non-public sector are spread across the adult award-reliant workforce, they are relatively prevalent in Education and training; Health care and social assistance; and Transport postal and warehousing and organisations using the *Social, Community, Home Care and Disability Services Industry Award 2010*, the *Hospitality Industry (General Award) 2010*, and the *Clerks Private Sector Award 2010*.

When analysing only those 22 awards with professional classifications only, the awards that covered the most non-public sector employees were the *Social, Community, Home Care and Disability Services Industry Award 2010*, the *Health Professionals and Support Services Award 2010*, and the *Educational Services (Post-Secondary Education) Award 2010*. Across the same 22 awards with professional classifications, just over one half of award-reliant employees were found in higher classifications. All of the award-reliant employees paid under five of the awards containing professional categories were found in higher classifications. In a further seven of the 22 awards containing professional categories, around three-quarters or more of the award-reliant employees were found in higher classifications. Two awards among the 22 containing professional classifications were found to have less than one-fifth of award-reliant employees in higher classifications.

Award-reliant professional employees and other adult award-reliant employees in the non-public sector paid higher classifications are more likely to be female, more likely to be employed on a permanent basis, and more likely to be working full-time hours than all award-reliant employees. Adult permanent full-time employees (both female and male) and adult female permanent part-time employees in higher classifications were the most likely to be on higher classifications. Otherwise, all other higher classification award-reliant employees tended to be paid between \$18.60 and \$19.99 per hour.

An analysis of business characteristics suggest that non-public sector organisations with less than half of their adult award-reliant employees on higher classifications generally perform differently to non-public sector organisations with more than half of their adult award-reliant employees on higher classifications. This was evident in the analysis of labour costs as a proportion of operating expenses, main revenue stream and the geographic markets operating in.

6 Summary and Conclusion

This report has presented findings from the Award Reliance Survey which generated new knowledge on award reliance at the organisation level. This included identifying the characteristics of award-reliant employees, as well as professional and other award-reliant employees on higher classifications.

The survey included two components, a CATI questionnaire which was completed by all organisations, and an online survey for larger organisations and organisations that used more than one modern award.

The study found that 25 per cent of non-public sector organisations were award-reliant, whereby the organisation employed at least one employee whose pay was set at exactly the rate specified in the relevant award. Medium and large organisations (i.e. those with more than 20 employees) had a higher proportion of award-reliant organisations than small and micro organisations. Award-reliant organisations were particularly prevalent in the Accommodation and food services and Retail trade industries and in regional/rural locations. Most organisations used only one modern award to set wage rates for their award-reliant employees, and in large organisations with 100 or more employees only 17 per cent were covered by four or more awards.

The most common reasons cited by non-public sector organisations that used awards were that award rates were appropriate or fair remuneration, that award rates were affordable or that they did not want to pay more than the award rate. The type of jobs that were typically award-reliant were Clerical and administrative or involved relatively unskilled labour, Labourers, as well as apprentices and those employed on a casual basis. Most award-reliant organisations cited that progression to above award rates of pay would occur to reward performance, achievement or effort.

Organisations in the non-public sector that also used enterprise agreements responded that they paid above award rates on the basis of these instruments because award terms and conditions were not suitable or flexible enough, and due to client or funding body requirements. Award-reliant organisations that also used other pay-setting arrangements paid above award rates as they wanted to reward employees with higher wages, that the applicable award rate was not competitive for attracting or retaining labour, or due to the skills, responsibilities or the role of the employee. While most award-reliant organisations that also had employees on over-award arrangements did not pass on the *Annual Wage Review 2011–12* decision to increase the national minimum wage and award wages by 2.9 per cent,⁸⁹ 30 per cent of organisations passed the increase on to such workers.

A majority of award-reliant organisations in the non-public sector operated outside standard hours, and this proportion was highest for award-reliant organisations with more than three-quarters of their workforce award-reliant. Award-reliant organisations with a higher degree of award reliance were more likely to operate in their local area only, while award-reliant organisations with less than one-quarter of their workforce award-reliant were more likely to operate in both the local and outside the local area.

While a majority of award-reliant organisations in the non-public sector reported a profit or surplus, this proportion decreased with the degree of award reliance. A higher proportion of award-reliant firms across all degrees of award reliance reported that their workforce size remained the same while a higher proportion of award-reliant organisations with less than one-quarter of their workforce award-reliant reported that their workforce increased. This also occurred with the revenue stream of

⁸⁹ *Annual Wage Review 2011–12* decision, [2012] FWAFB 5000 (1 June 2012).

organisations and labour market conditions. Most award-reliant organisations reported that the general public or consumers were their main revenue stream, and this increased with the degree of award reliance; while most organisations reported adequate labour supply, this increased with the degree of award reliance. Note that the findings on business metrics and their association with award reliance must be treated with caution, as the data did not enable comparison with the situation in non award-reliant organisations. Also, it was unclear whether the characteristics noted above arose from award reliance or other factors such as industry and size characteristics.

The survey found that 19 per cent of non-public sector employees were award-reliant. By industry, the highest proportion of award-reliant employees was found in Accommodation and food services, where over half of employees are in award-reliant organisations. The proportion of award-reliant employees was highest in medium and small organisations, and regional/rural locations. In micro organisations with less than five employees, only 14 per cent of employees were paid at exactly the rate specified in the award.

Around half of all employees in award-reliant organisations in the non-public sector were paid at exactly the rate specified in the award. In Accommodation and food services, Administrative and support services, Public administration and safety, Arts and recreation services and Education and training, the majority of employees in award-reliant organisations were paid exactly award rates. Micro organisations and organisations in regional/rural locations that were award-reliant had a higher proportion of employees whose pay rate was determined totally by the relevant award.

Around 25 per cent of adult award-reliant employees in the non-public sector were found to be on higher classifications, defined as above the C10 rate of \$18.60 (or the equivalent of approximately \$36,720 per annum). Industries that comprised a higher proportion of adult award-reliant employees on higher classifications were Education and training, Health care and social assistance and Transport, postal and warehousing. Micro organisations and organisations in regional/rural locations also had a higher proportion of adult award-reliant employees on higher classifications. The bulk (80 per cent) of those on higher classifications earned less than \$4.00 per hour more than the C10 rate.

Higher classification employees in the non-public sector on awards with professional classifications were more likely to be female and employed on a permanent basis, working either part-time or full-time hours. In general terms, the business characteristics of organisations with less than half of their adult award-reliant employees on higher classifications were different to organisations with more than half of their adult award-reliant employees on higher classifications across indicators such as labour costs as a proportion of operating expenses, main revenue stream and geographic markets of operation. As noted earlier, these associations with business metrics could be influenced by factors other than award reliance, including the size and industry profile of award-reliant employees.

When interpreting these data it is important to keep these award rates in perspective. Only 1 per cent of award-reliant employees in the non-public sector earn \$30.00 or more per hour. As noted in Chapter 4 this is currently very close to the median hourly rate of pay for Australian wage earners (i.e. \$30.56 per hour). When considered in this light, it is clear that nearly the entire non-public sector award-reliant workforce earns less than median earnings and that 87 per cent of them earn less than two-thirds of median earnings, even if they are in 'professional' or 'high award classifications'.

A matter worthy of further exploration is the extent to which the higher level classifications in awards are utilised. While the award system has an extensive set of graduated classifications designed to underpin career paths, it would seem that there is significant clustering in the lower reaches of classification structures. How jobs are classified and how workers are allocated to particular levels in awards is a topic that has, to date, received very little attention.

The final set of observations from the authors of this report concerns how pay-setting arrangements in modern awards currently operate in organisations across the labour market. In the late 1980s, much was made of the complex nature of the award system. Since then, there has been considerable restructuring, rationalisation and modernisation of awards. Arguably, the simplest indicator of how pay-setting arrangements in modern awards are functioning would be to consider how many awards any one organisation has to refer to in order to set rates of pay across their workforce. This report finds 72 per cent of non-public sector organisations with less than 100 employees only have to refer to one award to set pay for their award-reliant workforce. Even in non-public sector award-reliant organisations with more than 100 or more employees, 83 per cent have to refer to less than four awards to set pay.

Many times throughout Chapters 3, 4 and 5, the clustering of a limited number of awards around particular parts of the labour market or workforce was noted. For example, among the five industries accounting for most award-reliant workers, at most five, but usually just two, awards were used to set the pay of the bulk of workers in each of these sectors. Among award-reliant professional employees, over 40 per cent of them were covered by one award. Among the sub-groups of juniors, trainees, apprentices and supported wage system employees, again the great bulk of these sub-minimum wage employees had their pay set by between two and five awards. While a limited number of awards were used to set the pay of most award-reliant workers, a more diverse group of modern awards were used to set the pay of sub-minimum wage employees. This diversity is associated with the range of work undertaken by sub-minimum wage employees or the type of workers paid sub-minimum rates.

As noted in the opening of this report, the Australian workplace relations system has been through some large scale changes over the last 30 years. This report provides important new information that reveals that modern awards are used as the basis for setting rates of pay for far more employees than just low-wage employees on minimum rates. In addition, the use of modern awards to guide pay-setting decisions is not narrowly confined to just the award-reliant organisations and their employees. This was clear with the 36 per cent of non-public sector organisations that were not award-reliant that referred to pay rates in awards, despite not paying any of their employees at exactly the award rate. It was also clear in non-public sector award-reliant organisations, 30 per cent passed on the most recent annual wage review increase to their over-award employees.

The authors of this report suggest awards merit recognition as they remain one of the main wage-setting instruments used in Australia. Modern awards have been updated to reflect changing circumstances in the Australian labour market and, as a result, continue to have relevance to a large number of organisations and employees—not just those who rely on awards to determine exact rates of pay. Further investigation as to the extent to which modern awards both reflect and help define job structures is warranted.

APPENDIX A — Common Pay Ranges

Given that there are 122 modern awards, many of which contain multiple classifications and numerous pay points, it would be too burdensome on employers to collect exhaustive data on pay rate, classification level and worker characteristics at the individual employee level. For this reason, a set of decision rules were developed to limit or reduce the amount of data that would be collected from award-reliant organisations.

The decision rules that were adopted for limiting the number of rows that would appear in the detailed wage schedules were as follows:

- If the award contained more than one classification structure, the online questionnaire listed the classification descriptors and asked which ones were used. It then included a separate detailed table for each classification used. The name of each classification structure was listed at the top of the table. A master reference guide to modern awards was provided by Commission staff provided WRC and ORC with a list of classifications in all modern awards. This was used as the source to determine the number of classifications. In some cases the master reference guide was unclear on how many classification structures were contained in an award. Where all classifications could not fit, WRC held discussions with Commission staff to decide what classifications should appear in the online survey.
- Each detailed award wages table included up to four rows for sub-minimum wage categories (juniors, apprentices, trainees and supported wage system employees) plus up to a maximum of eight additional levels (pay range rows) taken from the relevant adult classification(s) in the award.
- After the first four rows (i.e. juniors, apprentices, trainees, supported wage system employees), the next pay range combined all adult classification levels and/or pay point levels up to \$18.60 per hour/\$706.10 per week. This was because lower classifications were lower priority data items for the Commission.
- The subsequent adult pay ranges (up to maximum of eight), started above \$18.60 and reflected the pay ranges specified in the award/award classification. This was because higher classifications were higher priority data items for the Commission.
- If there were more than eight adult pay ranges in the award (or in the case of awards with multiple classifications, within the classification), pay ranges were combined to ensure that none of the combined ranges straddled the common pay ranges. This was because there were extensive pay points in some awards, and combining them into eight pay ranges would reduce the respondent burden, enable the pay details to be displayed in one table (i.e. one screen of the online survey) yet still allow meaningful disaggregation of data for analysis and reporting purposes.

A table setting out the common pay ranges is in Table A.1.

Some organisations use multiple awards to set pay for various categories or groups of employees across their workforce. While it was the intention to gather detailed data on all award-reliant employees, where an organisation used more than three awards to set wages for their award-reliant employees, the CATI survey captured data on a maximum of three awards. Respondents were asked to list the top three awards on the basis of awards that had the highest number of employees paid at exactly the award rate. This would only arise where more than three awards were used by the one organisation. It does, however, mean that for organisations using more than three awards, some gaps in the data exist and the number of award-reliant employees could be understated for some awards.

Table A.1: Common ranges for adult award rates of pay

Common pay range	Base hourly rate	Casual hourly rate	Weekly rate	Annual rate
Lower classifications				
1	less than \$18.60	less than \$23.25	less than \$707	less than \$36,720
Higher classifications				
2	\$18.60 to less than \$20.00	\$23.25 to \$25.00	\$707 to less than \$760	\$36,720 to less than \$39,520
3	\$20.00 to less than \$22.00	\$25.00 to \$27.50	\$760 to less than \$836	\$39,520 to less than \$43,742
4	\$22.00 to less than \$25.00	\$27.50 to \$31.25	\$836 to less than \$950	\$43,472 to less than \$49,400
5	\$25.00 to less than \$30.00	\$31.25 to \$37.50	\$950 to less than \$1,140	\$49,400 to less than \$59,280
6	\$30.00 or more	\$37.50 or more	\$1,140 or more	\$59,280 or more

APPENDIX B — Categories for Classifying Arrangements that Define Wage Entitlements

Classification: legislation	Sub-classification: wage-setting practice	Examples of workplace practices
Award/agreement free (Defines an employee to whom neither a modern award nor enterprise agreement applies (s.12))	(a) Reliant on the national minimum wage order to set minimum rates of pay/casual loading	Pay rate is set according to the relevant rate specified in the national minimum wage order. Pay rate may be set above this level.
Award applies (Would define employees to whom a modern award applies (within the meaning of s.47 of the Fair Work Act). This category would thus exclude employees whose wages are determined by an enterprise agreement and 'high income' employees (within s.329 definition of Fair Work Act) but could include employees on over-award payments or on common law contracts).	(b) Award-reliant	Pay rate is set according to the relevant award rate specified for the classification of the employee.
	(c) Over-award (informal arrangements)	Pay rate is set above the relevant award rate specified for the classification of the employee. Pay rate is not determined by an enterprise agreement and employee is not a 'high income' guarantee employee.
	(d) Over-award (common law contract)	Pay rate is set above the relevant award rate specified for the classification level of the employee. Pay rate is not determined by an enterprise agreement and employee is not a 'high income' guaranteed employee. Pay rate above the award rate is specified in a common law contract.
Award covered	(e) Over-award (covered by a registered enterprise agreement)	Covered by a registered (i.e. formal) enterprise agreement.
	(f) Over-award (high income guarantee employee with guarantee of earnings)	High income employee (as of 1 July 2012) is a full-time employee not covered by an enterprise agreement, covered by a modern award but earning \$ plus superannuation or over with a guarantee of earnings with their employer (note that amount was indexed 1 July 2012). Note under s.329 an employee defined as a 'high income' employee must be subject to a guarantee of earnings with their employer for a period of at least 12 months. See ss.329–333A. Guarantee means that modern award provisions will not apply to the employee for the life of the guarantee.

Source: This categorical framework was derived from a more detailed taxonomy prepared by Justine Evesson in close collaboration with Miranda Pointon and the Fair Work Australia Minimum Wages Branch in the early stages of this project in 2011. A version of the framework was published in Maltman K and Dunn A (2013), *Higher classification/professional employee award reliance qualitative research: Consolidated report*, Research Report 1/2013, Fair Work Commission, Melbourne, Appendix A—Categories of classifying arrangements that define wage entitlements, p. 66.

Note: A situation can be described as involving an 'award-based' pay arrangements if they involve cells (b), (c), (d) and/or (f).

APPENDIX C — Survey Population

This appendix contains estimates of the numbers of business units by employment size bands.

Table C.1: Distribution of organisations in private sector national workplace relations system, by industry and organisation size, percentages by row and column

	Organisation size				Total	
	Micro %	Small %	Medium %	Large %	Organisations %	Employees %
Accommodation and food services	39.6	37.9	19.2	3.3	7.6	9.0
Administrative and support services	56.0	27.1	12.6	4.3	4.8	8.3
Arts and recreation services	57.4	28.8	11.8	2.1	1.2	2.0
Construction	72.8	21.4	5.1	0.7	17.9	10.1
Education and training	50.9	30.6	15.0	3.5	1.6	3.4
Electricity, gas, water and waste services	65.2	22.6	7.9	4.3	0.5	1.1
Financial and insurance services	74.3	19.5	4.8	1.4	4.4	1.4
Health care and social assistance	61.4	28.9	7.9	1.8	6.6	9.7
Information media and telecommunications	61.9	23.5	11.8	2.8	0.7	1.7
Manufacturing	46.3	34.5	16.3	3.0	6.6	8.9
Mining	54.8	24.8	12.9	7.6	0.6	1.9
Other services	63.9	30.9	4.6	0.6	6.4	4.5
Professional, scientific and technical services	71.9	21.6	5.5	1.0	14.7	9.6
Public administration and safety	52.9	28.2	14.6	4.3	0.4	0.8
Rental, hiring and real estate services	60.4	30.1	8.3	1.3	4.3	3.7
Retail trade	50.6	36.5	11.2	1.8	10.8	12.5
Transport, postal and warehousing	71.8	20.0	6.4	1.7	5.4	5.5
Wholesale trade	54.5	31.6	11.9	2.0	5.5	5.7
All industries	61.5	27.6	9.1	1.8	100	100

Table C.2: Distribution of organisations in private sector national workplace relations system, by industry and organisation size, percentages by column

	Organisation size				Total	
	Micro %	Small %	Medium %	Large %	Organisations %	Employees %
Accommodation and food services	4.9	10.4	16.1	13.8	7.6	9.0
Administrative and support services	4.4	4.7	6.7	11.7	4.8	8.3
Arts and recreation services	1.1	1.3	1.6	1.4	1.2	2.0
Construction	21.2	13.8	10.0	7.5	17.9	10.1
Education and training	1.3	1.7	2.6	3.0	1.6	3.4
Electricity, gas, water and waste services	0.5	0.4	0.4	1.2	0.5	1.1
Financial and insurance services	5.3	3.1	2.3	3.4	4.4	1.4
Health care and social assistance	6.6	6.9	5.8	6.9	6.6	9.7
Information media and telecommunications	0.7	0.6	0.9	1.1	0.7	1.7
Manufacturing	4.9	8.2	11.8	10.9	6.6	8.9
Mining	0.5	0.5	0.9	2.6	0.6	1.9
Other services	6.7	7.2	3.3	2.1	6.4	4.5
Professional, scientific and technical services	17.2	11.5	8.9	8.4	14.7	9.6
Public administration and safety	0.4	0.5	0.7	1.1	0.4	0.8
Rental, hiring and real estate services	4.2	4.6	3.9	3.0	4.3	3.7
Retail trade	8.9	14.2	13.3	10.6	10.8	12.5
Transport, postal and warehousing	6.3	3.9	3.8	5.2	5.4	5.5
Wholesale trade	4.9	6.3	7.2	6.2	5.5	5.7
All industries	100	100	100	100	100	100

Table C.3: Distribution of employees in private sector national workplace relations system, by industry and organisation size, percentages by row

	Organisation size				Total	
	Micro %	Small %	Medium %	Large %	Organisations %	Employees %
Accommodation and food services	9.6	35.4	24.9	30.1	7.6	9.0
Administrative and support services	10.0	16.8	23.0	50.2	4.8	8.3
Arts and recreation services	12.9	23.9	22.3	40.9	1.2	2.0
Construction	30.3	32.0	16.6	21.0	17.9	10.1
Education and training	11.1	21.2	29.7	38.0	1.6	3.4
Electricity, gas, water and waste services	5.7	9.0	8.3	77.1	0.5	1.1
Financial and insurance services	21.2	21.0	20.8	36.9	4.4	1.4
Health care and social assistance	12.0	19.8	19.4	48.8	6.6	9.7
Information Mmedia and telecommunications	9.3	12.8	11.3	66.6	0.7	1.7
Manufacturing	7.7	21.8	24.3	46.2	6.6	8.9
Mining	4.8	9.0	9.6	76.6	0.6	1.9
Other services	25.1	39.4	16.8	18.7	6.4	4.5
Professional, scientific and technical services	25.5	26.5	19.5	28.5	14.7	9.6
Public administration and safety	10.9	20.8	21.8	46.5	0.4	0.8
Rental, hiring and real estate services	29.3	49.0	9.8	11.8	4.3	3.7
Retail trade	10.1	26.3	15.2	48.4	10.8	12.5
Transport, postal and warehousing	18.7	19.8	12.6	49.0	5.4	5.5
Wholesale trade	12.1	24.1	28.7	35.2	5.5	5.7
All industries	15.6	25.8	19.5	39.1	100	100

Table C.4: Distribution of employees in private sector national workplace relations system, by industry and organisation size, percentages by column

	Organisation size				Total	
	Micro %	Small %	Medium %	Large %	Organisations %	Employees %
Accommodation and food services	5.5	12.4	11.5	7.0	7.6	9.0
Administrative and support services	5.3	5.4	9.8	10.6	4.8	8.3
Arts and recreation services	1.7	1.9	2.3	2.1	1.2	2.0
Construction	19.5	12.5	8.6	5.4	17.9	10.1
Education and training	2.4	2.8	5.2	3.3	1.6	3.4
Electricity, gas, water and waste services	0.4	0.4	0.5	2.2	0.5	1.1
Financial and insurance services	2.0	1.2	1.5	1.4	4.4	1.4
Health care and social assistance	7.5	7.5	9.7	12.2	6.6	9.7
Information media and telecommunications	1.0	0.8	1.0	2.9	0.7	1.7
Manufacturing	4.4	7.6	11.1	10.6	6.6	8.9
Mining	0.6	0.7	0.9	3.7	0.6	1.9
Other services	7.3	6.9	3.9	2.2	6.4	4.5
Professional, Scientific and technical services	15.7	9.9	9.6	7.0	14.7	9.6
Public administration and safety	0.6	0.6	0.9	0.9	0.4	0.8
Rental, hiring and real estate services	7.0	7.1	1.9	1.1	4.3	3.7
Retail trade	8.1	12.8	9.8	15.5	10.8	12.5
Transport, postal and warehousing	6.5	4.2	3.5	6.8	5.4	5.5
Wholesale trade	4.4	5.3	8.3	5.1	5.5	5.7
All industries	100	100	100	100	100	100

APPENDIX D — Survey Fieldwork Details

D.1 Fieldwork timeline

First pilot (CATI survey only)

- Monday 13–Friday 17 August 2012: Cognitive testing around key concepts with industrial relations/human resources managers and small business owners.
- Monday 1 October 2012: Initial ORC interviewer briefing and commencement of first pilot.
- Friday 5 October 2012: ORC interviewer de-briefing at the conclusion of first pilot.
- Monday 8 October 2012: Post-pilot debriefing teleconference undertaken.

Second pilot (CATI and online surveys)

- Tuesday 17 October 2012: Revised instruments finalised for second pilot.
- Tuesday 27 November 2012: ORC interviewer briefing and commencement of second pilot.
- Friday 6 December 2012: ORC interviewer debriefing at the conclusion of second pilot.

Main fieldwork (CATI and collection of detailed award wages data survey)

- Friday 11 January 2013: Survey instruments (following findings of pilots) finalised (clearance to final instruments given by the Statistical Clearing House).
- Tuesday 29 January 2013: ORC interviewer briefing and commencement of main fieldwork.
- Friday 26 April 2013: ORC interviewing for CATI survey closed off.
- Friday 23 May 2013: ORC online collection of detailed award wages data closed off.

APPENDIX E — Sample Details

E.1 Achieved sample for CATI survey

Table E.1: CATI survey sample, organisations by industry and award reliance status of organisation, percentages by row and column

	Award-reliant organisations			Organisations not award-reliant			All organisations		
	n	%	%	n	%	%	n	%	%
Accommodation and food services	725	69	17	319	31	4	1045	100	9
Administrative and support services	303	33	7	612	67	8	915	100	8
Arts and recreation services	278	46	7	331	54	5	609	100	5
Construction	121	21	3	446	79	6	567	100	5
Education and training	126	30	3	297	70	4	423	100	4
Electricity, gas, water and waste services	13	19	0	55	81	1	68	100	1
Financial and insurance services	21	15	0	117	85	2	138	100	1
Health care and social assistance	456	33	11	909	67	13	1365	100	12
Information media and telecommunications	17	17	0	82	83	1	99	100	1
Manufacturing	353	26	8	1015	74	14	1368	100	12
Mining	7	7	0	96	93	1	103	100	1
Professional, scientific and technical services	36	14	1	230	87	3	266	100	2
Public administration and safety	82	33	2	164	67	2	246	100	2
Rental, hiring and real estate services	209	30	5	484	70	7	693	100	6
Retail trade	1042	57	24	797	43	11	1839	100	16
Transport, postal and warehousing	94	24	2	301	76	4	395	100	3
Wholesale trade	92	21	2	340	79	5	432	100	4
Other services	294	31	7	669	70	9	963	100	8
All Industries	4270	37	100	7264	63	100	11 534	100	100

Table E.2: CATI survey sample, organisations by award reliance status of organisation, size of organisation and state/territory, percentages by row and column

	Award-reliant organisations			Organisations not award-reliant			All organisations		
	n	%	%	n	%	%	n	%	%
<i>Organisation size</i>									
1 to 4 employees	509	12	22	1793	25	78	2302	20	100
5 to 19 employees	1646	39	36	2897	40	64	4543	39	100
20 to 99 employees	1491	35	47	1695	23	53	3186	28	100
100 or more employees	624	15	42	879	12	58	1503	13	100
All	4270	37	100	7264	63	100	11 534	100	100
<i>State or territory</i>									
New South Wales	1555	36	40	2316	32	60	3871	34	100
Victoria	1016	24	33	2077	29	67	3093	27	100
Queensland	867	20	40	1298	18	60	2165	19	100
Western Australia	234	5	24	722	10	76	956	8	100
South Australia	388	9	46	447	6	54	835	7	100
Tasmania	122	3	43	159	2	57	281	2	100
Northern Territory	23	1	19	99	1	81	122	1	100
Australian Capital Territory	63	1	31	139	2	69	202	22	100
Don't know	2	0	22	7	0	78	9	0	100
All	4270	37	100	7264	63	100	11 534	100	100

Table E.3: CATI survey sample, employees by award reliance status of organisation, by industry, percentages by row and column

Industry	Employees in award-reliant organisations			Employees in organisations that are not award-reliant			All employees		
	<i>n</i>	%	%	<i>n</i>	%	%	<i>n</i>	%	%
Accommodation and food services	73 649	18	79	20 129	4	21	93 778	100	10
Administrative and support services	48 606	12	66	24 836	4	34	73 442	100	8
Arts and recreation services	15 101	4	52	13 984	2	48	29 085	100	3
Construction	3186	1	8	37 495	7	92	40 681	100	4
Education and training	11 984	3	22	43 594	8	78	55 578	100	6
Electricity, gas, water and waste services	6088	2	40	9221	2	60	15 309	100	2
Financial and insurance services	751	0	15	4405	1	85	5156	100	1
Health care and social assistance	78 066	19	44	98 480	17	56	176 546	100	18
Information media and telecommunications	2896	1	55	2412	0	45	5308	100	1
Manufacturing	27 134	7	16	143 775	25	84	170 909	100	18
Mining	139	0	1	26 756	5	99	26 895	100	3
Professional, scientific and technical services	3120	1	20	12 215	2	80	15 335	100	2
Public administration and safety	13 323	3	30	31 315	5	70	44 638	100	5
Rental, hiring and real estate services	7162	2	43	9335	2	57	16 497	100	2
Retail trade	92 811	23	61	60 147	11	39	152 958	100	16
Transport, postal and warehousing	7596	2	35	14 188	2	65	21 784	100	2
Wholesale trade	5028	1	36	8858	2	64	13 886	100	1
Other services	6135	2	42	8565	2	58	14 700	100	0
All Industries	402 775	100	41	569 710	100	59	972 485	100	100

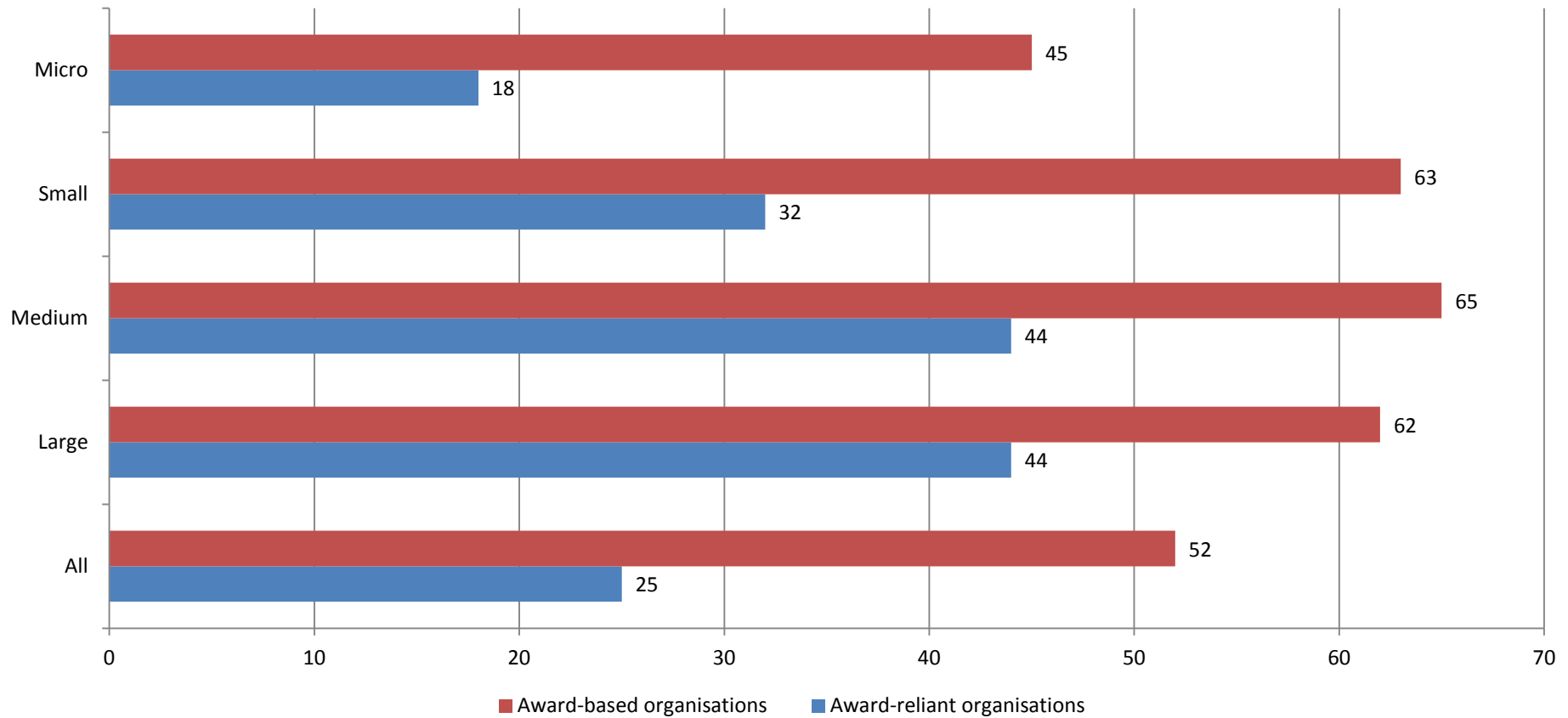
E.4 Achieved sample for online survey

Table E.4: Detailed award wage schedule data collection achieved sample by industry, size of organisation and location, percentages by column

	n	%
Industry		
Accommodation and food services	479	17
Administrative and support services	163	6
Arts and recreation services	188	7
Construction	96	4
Education and training	64	2
Electricity, gas, water and waste services	4	<1
Financial and insurance services	17	<1
Health care and social assistance	238	9
Information media and telecommunications	7	<1
Manufacturing	228	8
Mining	5	<1
Professional, scientific and technical services	24	1
Public administration and safety	50	2
Rental, hiring and real estate services	161	6
Retail trade	701	25
Transport, postal and warehousing	67	2
Wholesale trade	53	2
Other services	236	9
All Industries	2781	100
Organisation size		
1 to 4 employees	478	17
5 to 19 employees	1416	51
20 to 99 employees	692	25
100 or more employees	195	7.0
All organisations	2781	100
Location		
Metropolitan	1316	47
Regional/Rural	1431	52
Both Metropolitan and Regional/Rural	29	1
Don't know/Refused	5	<1
All locations	2781	100

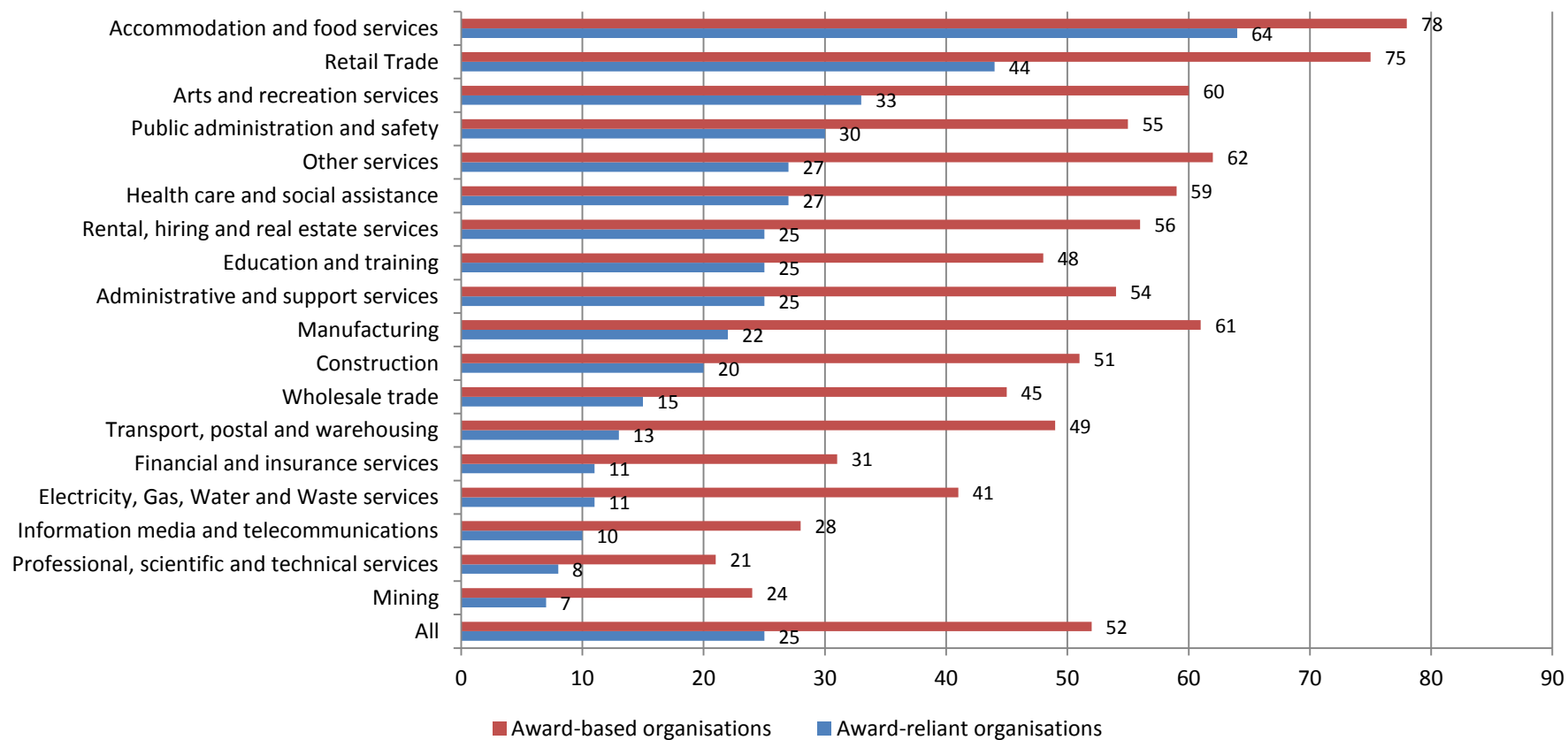
APPENDIX F — Detailed and Additional Tables

Figure F.1: Organisations with award-based and award-reliant pay-setting arrangements by organisation size, percentages by row



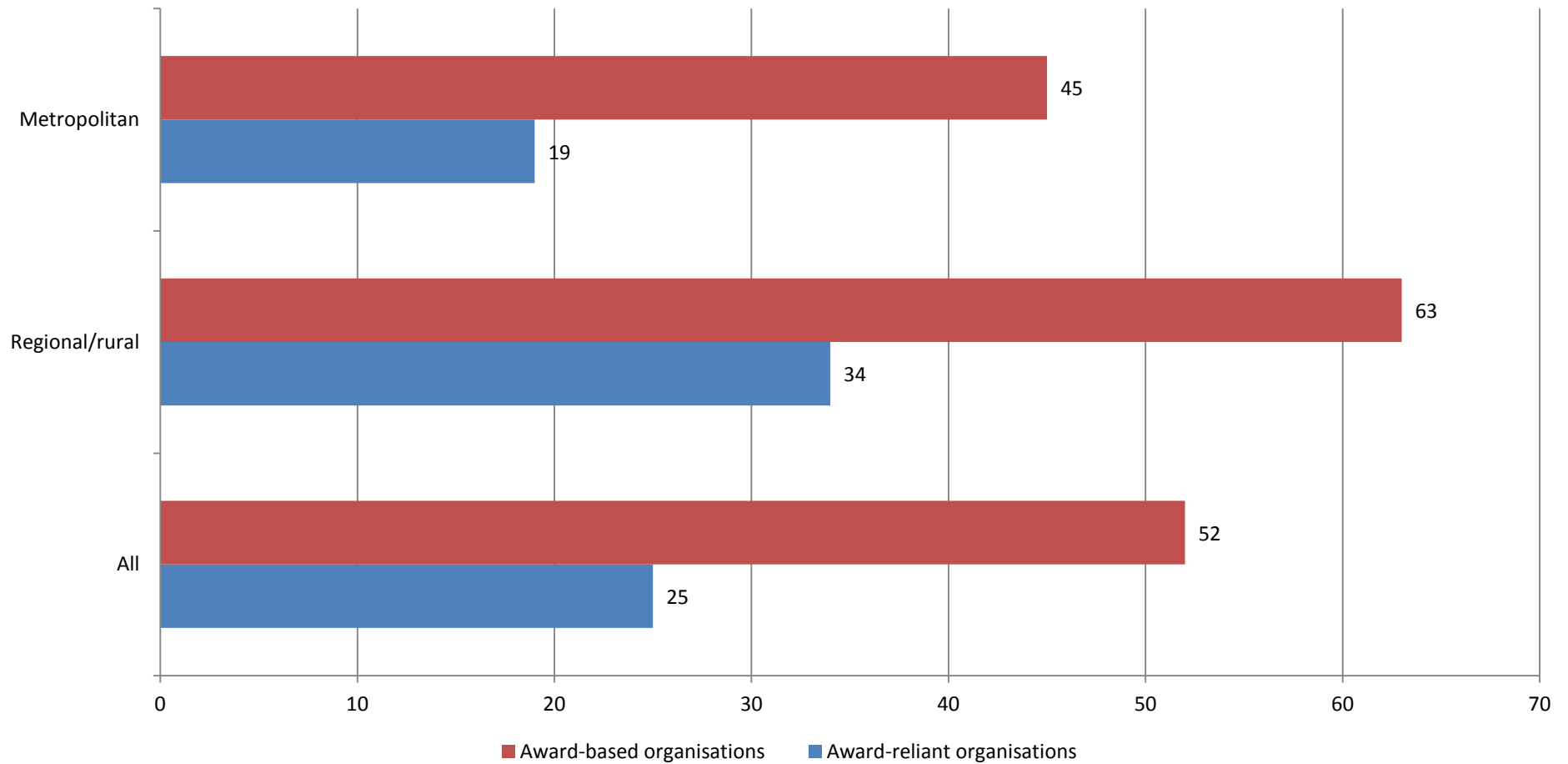
Dataset: CATI datasets A & B. Questions: CATI Q8, Q14B & Q15. Base = all organisations, percentages by cell, weights by organisations (Weight A). *Award-based included award-reliant and other pay-setting arrangements where an award is used in some way to guide pay-setting decision. **Award-reliant was restricted to organisations with at least one employee who was paid exactly the award rate. ***Organisations using 'over-award' arrangements was estimated by subtracting award reliance from 'award-based'.

Figure F.2: Organisations with award-based and award-reliant pay-setting arrangements by industry, percentages by row

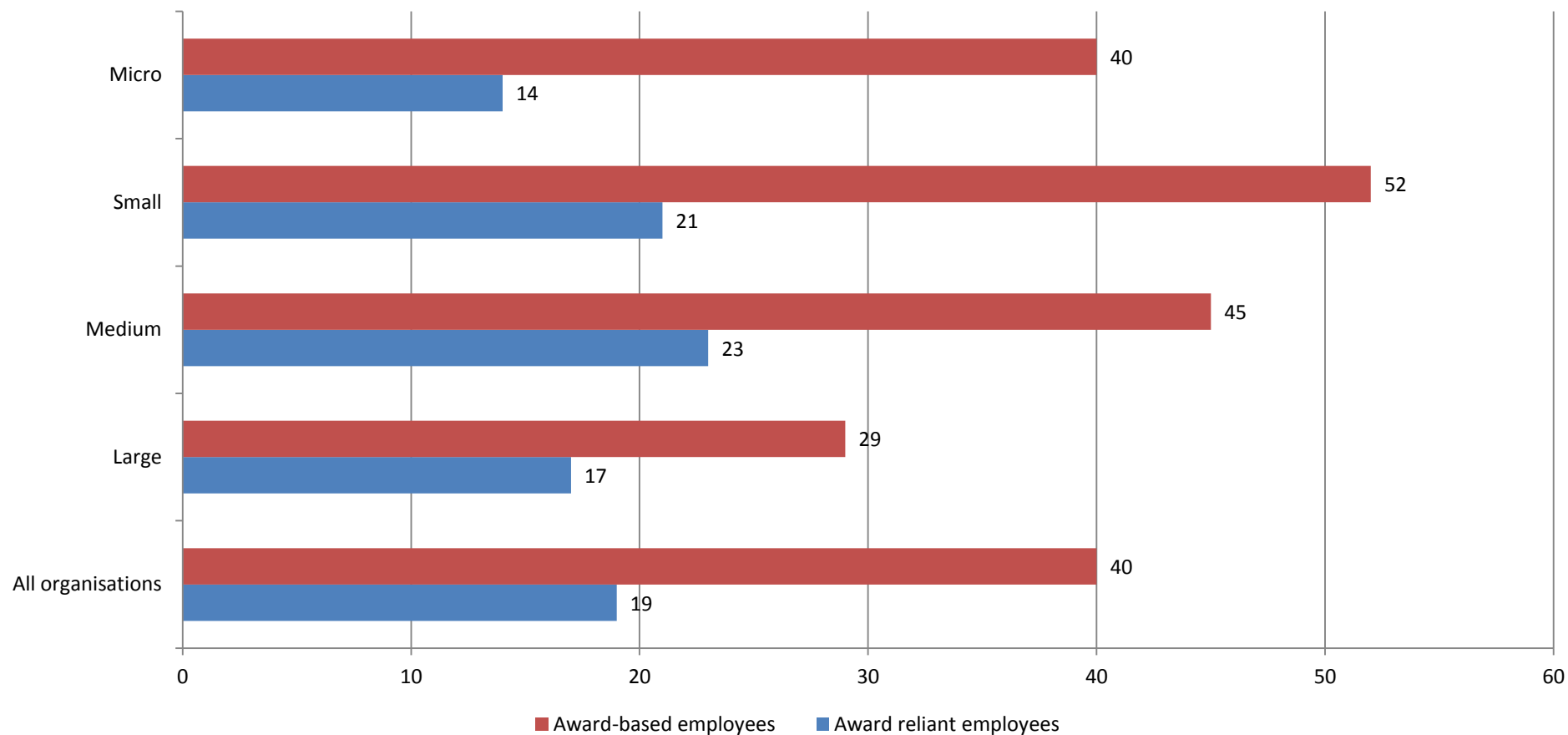


Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q14B & Q15. Base = all organisations, percentages by cell, weights by organisations (Weight A). *Award-based included award-reliant and other pay-setting arrangements where an award is used in some way to guide pay-setting decision. **Award-reliant was restricted to organisations with at least one employee who was paid exactly the award rate. ***Organisations using 'over-award' arrangements was estimated by subtracting award reliance from 'award-based'.

Figure F.3: Organisations with award-based and award-reliant pay-setting arrangements by location, percentages by row

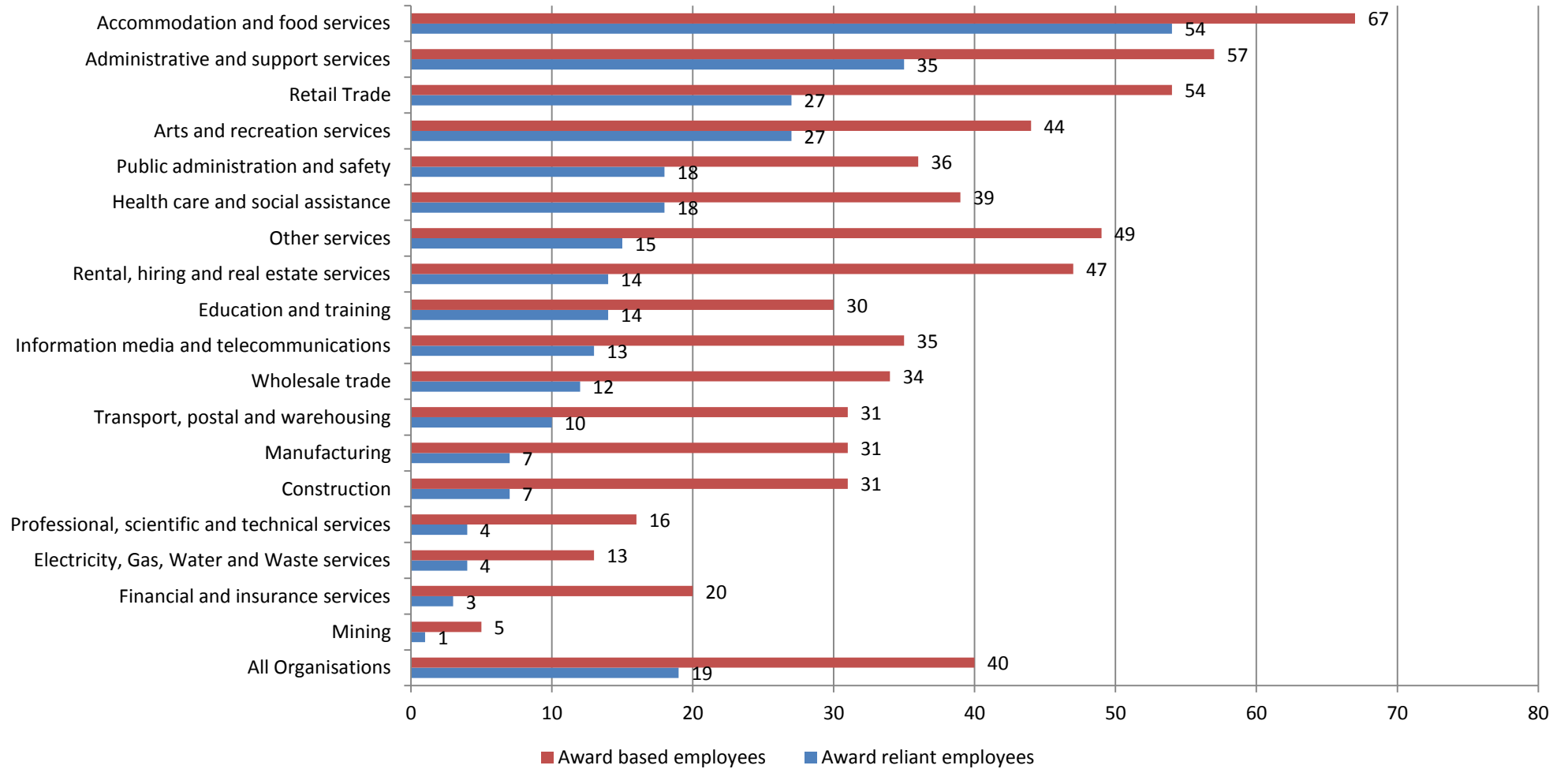


Dataset: CATI datasets A & B. Questions: CATI Q11, Q12, Q13, Q14B & Q15. Base = all organisations, percentages by cell, weights by organisations (Weight A). *Award-based included award-reliant and other pay-setting arrangements where an award is used in some way to guide pay-setting decision. **Award-reliant was restricted to organisations with at least one employee who was paid exactly the award rate. ***Organisations using 'over-award' arrangements was estimated by subtracting award reliance from 'award-based'.

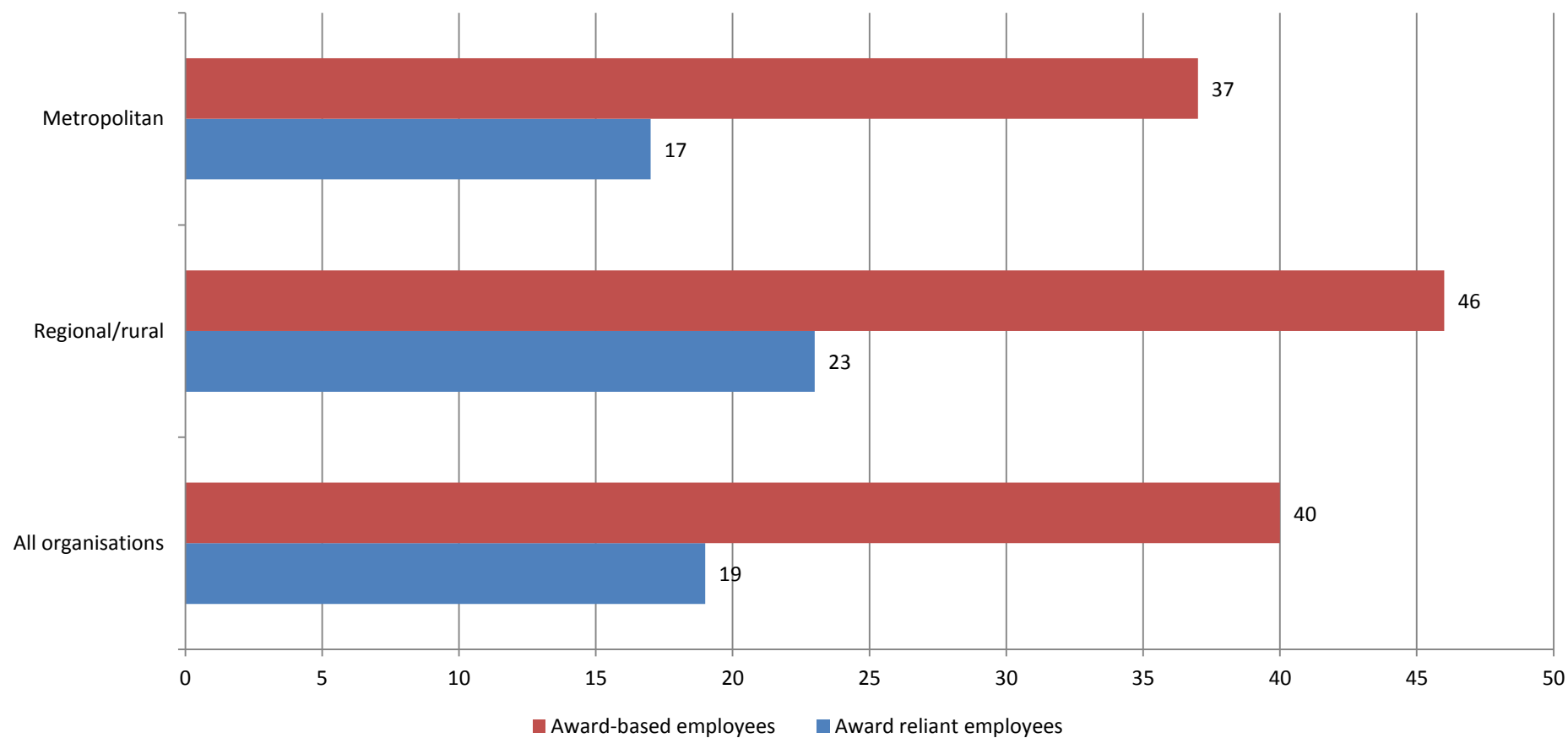
Figure F.4: Employees with award-based and award-reliant pay-setting arrangements by size of business, percentages by row

Dataset: CATI datasets A&B. Questions: CATI Q8, Q14A & Q15. Base = all employees. Weights by employees (Employee weight A). Note: Award-reliant was restricted to employees paid exactly the rate specified in the award.

Figure F.5: Employees with award-based and award-reliant pay-setting arrangements by industry, percentages by row



Dataset: CATI datasets A&B. Questions: CATI Q6, Q7, Q8, Q14B & Q15. Base = all employees. Weights by employees (Employee weight A). Note: Award-reliant was restricted to employees paid exactly the rate specified in the award.

Figure F.6: Employees with award-based and award-reliant pay-setting arrangements by location, percentages by row

Dataset: CATI datasets A&B. Questions: CATI Q8, Q11, Q12, Q13, Q14B & Q15. Base = all employees. Weights by employees (Employee weight A). Note: Award-reliant was restricted to employees paid exactly the rate specified in the award.

Table F.1: Modern award usage by award-reliant organisations to pay award rates across all industries, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using award
<i>General Retail Industry Award 2010</i>	15
<i>Clerks Private Sector Award 2010</i>	13
<i>Hospitality Industry (General) Award 2010</i>	13
<i>Building and Construction General On-site Award 2010</i>	7
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	7
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	5
<i>Cleaning Services Award 2010</i>	4
<i>Restaurant Industry Award 2010</i>	4
<i>Health Professionals and Support Services Award 2010</i>	3
<i>Gardening and Landscaping Services Award 2010</i>	3
<i>Pharmacy Industry Award 2010</i>	2
<i>Real Estate Industry Award 2010</i>	2
<i>Plumbing and Fire Sprinklers Award 2010</i>	2
<i>Electrical, Electronic and Communications Contracting Award 2010</i>	2
<i>Road Transport and Distribution Award 2010</i>	2
<i>Fast Food Industry Award 2010</i>	2
<i>Hair and Beauty Industry Award 2010</i>	2
<i>Legal Services Award 2010</i>	1
<i>Registered and Licensed Clubs Award 2010</i>	1
<i>Children's Services Award 2010</i>	1
<i>Storage Services and Wholesale Award 2010</i>	1
<i>Joinery and Building Trades Award 2010</i>	1
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	1
<i>Educational Services (Post-Secondary Education) Award 2010</i>	1
<i>Meat Industry Award 2010</i>	1
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	1
<i>Timber Industry Award 2010</i>	1
<i>Banking, Finance and Insurance Award 2010</i>	1
<i>Animal Care and Veterinary Services Award 2010</i>	1
<i>Road Transport (Long Distance Operations) Award 2010</i>	1
<i>Amusement, Events and Recreation Award 2010</i>	1
<i>Architects Award 2010</i>	1
<i>Security Services Industry Award 2010</i>	1
<i>Nurses Award 2010</i>	1
<i>Graphic Arts, Printing and Publishing Award 2010</i>	1
<i>Passenger Vehicle Transportation Award 2010</i>	<1
<i>Educational Services (Teachers) Award 2010</i>	<1
<i>Commercial Sales Award 2010</i>	<1

	Percentage of award- reliant organisations using award
<i>Horticulture Award 2010</i>	<1
<i>Textile, Clothing, Footwear and Associated Industries Award 2010</i>	<1
<i>Local Government Industry Award 2010</i>	<1
<i>Professional Employees Award 2010</i>	<1
<i>Aged Care Award 2010</i>	<1
<i>Nursery Award 2010</i>	<1
<i>Surveying Award 2010</i>	<1
<i>Fitness Industry Award 2010</i>	<1
<i>Miscellaneous Award 2010</i>	<1
<i>Business Equipment Award 2010</i>	<1
<i>State Government Agencies Administration Award 2010</i>	<1
<i>Dry Cleaning and Laundry Industry Award 2010</i>	<1
<i>Labour Market Assistance Industry Award 2010</i>	<1
<i>Aquaculture Industry Award 2010</i>	<1
<i>Pest Control Industry Award 2010</i>	<1
<i>Seafood Processing Award 2010</i>	<1
<i>Telecommunications Services Award 2010</i>	<1
<i>Wine Industry Award 2010</i>	<1
<i>Sporting Organisations Award 2010</i>	<1
<i>Waste Management Award 2010</i>	<1
<i>Air Pilots Award 2010</i>	<1
<i>Journalists Published Media Award 2010</i>	<1
<i>Supported Employment Services Award 2010</i>	<1
<i>Educational Services (Schools) General Staff Award 2010</i>	<1
<i>Concrete Products Award 2010</i>	<1
<i>Airline Operations Ground Staff Award 2010</i>	<1
<i>Live Performance Award 2010</i>	<1
<i>Quarrying Award 2010</i>	<1
<i>Horse and Greyhound Training Award 2010</i>	<1
<i>Pharmaceutical Industry Award 2010</i>	<1
<i>Market and Social Research Award 2010</i>	<1
<i>Mining Industry Award 2010</i>	<1
<i>Medical Practitioners Award 2010</i>	<1
<i>Aboriginal Community Controlled Health Services Award 2010</i>	<1
<i>Funeral Industry Award 2010</i>	<1
<i>Broadcasting and Recorded Entertainment Award 2010</i>	<1
<i>Racing Industry Ground Maintenance Award 2010</i>	<1
<i>Higher Education Industry</i>	<1
<i>Professional Diving Industry (Recreational) Award 2010</i>	<1
<i>Marine Tourism and Charter Vessels Award 2010</i>	<1
<i>Electrical Power Industry Award 2010</i>	<1

	Percentage of award-reliant organisations using award
<i>Racing Clubs Events Award 2010</i>	<1
<i>Rail Industry Award 2010</i>	<1
<i>Premixed Concrete Award 2010</i>	<1
<i>Contract Call Centres Award 2010</i>	<1
<i>Corrections and Detention (Private Sector) Award 2010</i>	<1
Award-based transitional instrument (AN code)	<1
Transitional Award (AT code)	<1
National Employment Standard (NES)	<1
Not an award	<1
Enterprise Award	<1
Don't know	<1
Total	112

Dataset: CATI datasets A & B. Questions: CATI Q8, Q15 & Q16A. Base = award-reliant organisations, percentages by row, weights by organisations (Employer Weight A). Note: Multiple awards can be used by each award-reliant organisation, so the total can add to greater than 100 per cent. Respondents did not specify whether references made to the Higher Education Industry award was to the *Higher Education Industry—Academic Staff—Award 2010* or the *Higher Education Industry—General Staff—Award 2010*.

Table F.2: Modern awards used by award-reliant organisations in the Accommodation and food services industry, ranked by highest to lowest, percentages by column

	Percentage of award-reliant organisations using award	
	Accommodation and food services	All industries
	%	%
<i>Hospitality Industry (General) Award 2010</i>	64	13
<i>Restaurant Industry Award 2010</i>	18	4
<i>Fast Food Industry Award 2010</i>	8	2
<i>Registered and Licensed Clubs Award 2010</i>	3	1
<i>Cleaning Services Award 2010</i>	2	4
<i>General Retail Industry Award 2010</i>	2	15
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	1	1
<i>Hair and Beauty Industry Award 2010</i>	<1	2
<i>Security Services Industry Award 2010</i>	<1	1
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	<1	1
<i>Clerks Private Sector Award 2010</i>	<1	13
<i>Nurses Award 2010</i>	<1	1
<i>Educational Services (Teachers) Award 2010</i>	<1	<1
<i>Horticulture Award 2010</i>	<1	<1
<i>Road Transport and Distribution Award 2010</i>	<1	2
<i>Higher Education Industry</i>	<1	<1
<i>Sporting Organisations Award 2010</i>	<1	<1
<i>Gardening and Landscaping Services Award 2010</i>	<1	3
<i>Joinery and Building Trades Award 2010</i>	<1	1
<i>Amusement, Events and Recreation Award 2010</i>	<1	1
Award-based transitional instrument (AN code)	1	<1
Not an award	<1	<1
Don't know	<1	<1
Total	103	65

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B. Base = award-reliant organisations, cell percentages, weights by organisations (Employer Weight A). Note: Multiple awards can be used by each award-reliant organisation, so that the total can add to greater than 100 per cent. Respondents did not specify whether references made to the Higher Education Industry award was to the *Higher Education Industry—Academic Staff—Award 2010* or the *Higher Education Industry—General Staff—Award 2010*.

Table F.3: Modern awards used by award-reliant organisations in the Retail trade industry, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using award	
	Retail trade	All industries
	%	%
<i>General Retail Industry Award 2010</i>	61	15
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	12	7
<i>Pharmacy Industry Award 2010</i>	11	2
<i>Clerks Private Sector Award 2010</i>	8	13
<i>Meat Industry Award 2010</i>	4	1
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	2	5
<i>Road Transport and Distribution Award 2010</i>	2	2
<i>Fast Food Industry Award 2010</i>	1	2
<i>Hospitality Industry (General) Award 2010</i>	1	13
<i>Storage Services and Wholesale Award 2010</i>	1	1
<i>Timber Industry Award 2010</i>	1	1
<i>Textile, Clothing, Footwear and Associated Industries Award 2010</i>	1	<1
<i>Telecommunications Services Award 2010</i>	1	<1
<i>Nursery Award 2010</i>	1	<1
<i>Plumbing and Fire Sprinklers Award 2010</i>	<1	2
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	<1	1
<i>Restaurant Industry Award 2010</i>	<1	4
<i>Hair and Beauty Industry Award 2010</i>	<1	2
<i>Seafood Processing Award 2010</i>	<1	<1
<i>Cleaning Services Award 2010</i>	<1	4
<i>Miscellaneous Award 2010</i>	<1	<1
<i>Building and Construction General On-site Award 2010</i>	<1	7
<i>Gardening and Landscaping Services Award 2010</i>	<1	3
<i>Electrical, Electronic and Communications Contracting Award 2010</i>	<1	2
<i>Amusement, Events and Recreation Award 2010</i>	<1	1
<i>State Government Agencies Administration Award 2010</i>	<1	<1
<i>Professional Diving Industry (Recreational) Award 2010</i>	<1	<1
<i>Business Equipment Award 2010</i>	<1	<1
<i>Health Professionals and Support Services Award 2010</i>	<1	3
<i>Pharmaceutical Industry Award 2010</i>	<1	<1
<i>Educational Services (Post-Secondary Education) Award 2010</i>	<1	1
<i>Quarrying Award 2010</i>	<1	<1
<i>Nurses Award 2010</i>	<1	1
<i>Fitness Industry Award 2010</i>	<1	<1
Award-based transitional instrument (AN code)	<1	<1
Transitional Award (AT code)	1	<1
Enterprise Award	<1	<1
Don't know	1	<1
Total	110	93

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B. Base = award-reliant organisations, cell percentages, weights by organisations (Employer Weight A). Note: Multiple awards can be used by each award-reliant organisation, so the total can add to greater than 100 per cent.

Table F.4: Modern awards used by award-reliant organisations in the Health care and social assistance industry, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using award	
	Health care and social assistance	All industries
<i>Health Professionals and Support Services Award 2010</i>	46	3
<i>Clerks Private Sector Award 2010</i>	16	13
<i>Children's Services Award 2010</i>	13	1
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	11	1
<i>Nurses Award 2010</i>	6	1
<i>Aged Care Award 2010</i>	5	<1
<i>General Retail Industry Award 2010</i>	4	15
<i>Educational Services (Teachers) Award 2010</i>	3	<1
<i>Cleaning Services Award 2010</i>	2	4
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	2	5
<i>Miscellaneous Award 2010</i>	1	<1
<i>Medical Practitioners Award 2010</i>	1	<1
<i>State Government Agencies Administration Award 2010</i>	1	<1
<i>Supported Employment Services Award 2010</i>	<1	<1
<i>Labour Market Assistance Industry Award 2010</i>	<1	<1
<i>Gardening and Landscaping Services Award 2010</i>	<1	3
<i>Hair and Beauty Industry Award 2010</i>	<1	2
<i>Educational Services (Post-Secondary Education) Award 2010</i>	<1	1
<i>Waste Management Award 2010</i>	<1	<1
<i>Aboriginal Community Controlled Health Services Award 2010</i>	<1	<1
<i>Restaurant Industry Award 2010</i>	<1	4
<i>Passenger Vehicle Transportation Award 2010</i>	<1	<1
<i>Nursery Award 2010</i>	<1	<1
<i>Building and Construction General On-site Award 2010</i>	<1	7
Not an award	<1	<1
Don't know	<1	<1
Total	114	60

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B. Base = award-reliant organisations, cell percentages, weights by organisations (Employer Weight A). Note: Multiple awards can be used by each award-reliant organisation, so the total can add to greater than 100 per cent.

Table F.5: Modern awards used by award-reliant organisations in the Administrative and support services industry, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using award	
	Administrative and support services	All industries
<i>Cleaning Services Award 2010</i>	61	4
<i>Clerks Private Sector Award 2010</i>	20	13
<i>Building and Construction General On-site Award 2010</i>	7	7
<i>Gardening and Landscaping Services Award 2010</i>	7	3
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	4	5
<i>Pest Control Industry Award 2010</i>	3	<1
<i>Labour Market Assistance Industry Award 2010</i>	3	<1
<i>General Retail Industry Award 2010</i>	2	15
<i>State Government Agencies Administration Award 2010</i>	2	<1
<i>Storage Services and Wholesale Award 2010</i>	2	1
<i>Horticulture Award 2010</i>	1	<1
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	1	1
<i>Security Services Industry Award 2010</i>	1	1
<i>Registered and Licensed Clubs Award 2010</i>	1	1
<i>Supported Employment Services Award 2010</i>	1	<1
<i>Children's Services Award 2010</i>	1	1
<i>Hospitality Industry (General) Award 2010</i>	1	13
<i>Road Transport and Distribution Award 2010</i>	1	2
<i>Electrical, Electronic and Communications Contracting Award 2010</i>	1	2
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	1	1
<i>Waste Management Award 2010</i>	1	<1
<i>Electrical Power Industry Award 2010</i>	1	<1
<i>Pharmacy Industry Award 2010</i>	<1	2
<i>Joinery and Building Trades Award 2010</i>	<1	1
<i>Miscellaneous Award 2010</i>	<1	<1
<i>Dry Cleaning and Laundry Industry Award 2010</i>	<1	<1
<i>Telecommunications Services Award 2010</i>	<1	<1
<i>Timber Industry Award 2010</i>	<1	1
<i>Local Government Industry Award 2010</i>	<1	<1
<i>Wine Industry Award 2010</i>	<1	<1
National Employment Standard (NES)	1	<1
Total	127	74

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B. Base = award-reliant organisations, cell percentages, weights by organisations (Employer Weight A). Note: Multiple awards can be used by each award-reliant organisation, so the total can add to greater than 100 per cent

Table F.6: Modern awards used by award-reliant organisations in the Manufacturing industry, ranked from highest to lowest, percentages by column

	Percentage of award-reliant organisations using award	
	Manufacturing	All industries
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	42	5
<i>Clerks Private Sector Award 2010</i>	17	13
<i>Joinery and Building Trades Award 2010</i>	9	1
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	9	1
<i>Graphic Arts, Printing and Publishing Award 2010</i>	7	1
<i>Timber Industry Award 2010</i>	6	1
<i>Building and Construction General On-site Award 2010</i>	4	7
<i>General Retail Industry Award 2010</i>	3	15
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	3	7
<i>Textile, Clothing, Footwear and Associated Industries Award 2010</i>	3	<1
<i>Storage Services and Wholesale Award 2010</i>	3	1
<i>Road Transport and Distribution Award 2010</i>	2	2
<i>Wine Industry Award 2010</i>	2	<1
<i>Electrical, Electronic and Communications Contracting Award 2010</i>	2	2
<i>Concrete Products Award 2010</i>	1	<1
<i>Plumbing and Fire Sprinklers Award 2010</i>	1	2
<i>Horticulture Award 2010</i>	1	<1
<i>Restaurant Industry Award 2010</i>	1	4
<i>Journalists Published Media Award 2010</i>	1	<1
<i>Hospitality Industry (General) Award 2010</i>	1	13
<i>Seafood Processing Award 2010</i>	1	<1
<i>Road Transport (Long Distance Operations) Award 2010</i>	<1	1
<i>Professional Employees Award 2010</i>	<1	<1
<i>Miscellaneous Award 2010</i>	<1	<1
<i>Pharmaceutical Industry Award 2010</i>	<1	<1
<i>Meat Industry Award 2010</i>	<1	1
<i>Commercial Sales Award 2010</i>	<1	<1
<i>Premixed Concrete Award 2010</i>	<1	<1
Award-based transitional instrument (AN code)	<1	<1
National Employment Standard (NES)	<1	<1
Don't know	1	<1
Total	123	77

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q16B. Base = award-reliant organisations, cell percentages, weights by organisations (Employer Weight A). Note: Multiple awards can be used by each award-reliant organisation, so the total can add to greater than 100 per cent.

Table F.7: Reasons for award reliance by industry, percentages by cell

	Percentage of reasons for award reliance										
	Award rates appropriate or fair remuneration	Affordability	Do not want to pay more	Ease, simplicity or unsure how much to pay above award rate	Common practice in the industry or sector	Equity, fairness or transparency of wage setting arrangements across the workforce	Legal requirement	Probationary period or new staff	Client/funding body requirement or direction to pay award rates	Advice from employer association to pay the award rates and not higher	Prefers to provide 'non-wage' benefits (i.e. bonuses, incentives)
Accommodation and food services	25	25	24	14	11	11	12	2	3	3	1
Administrative and support services	22	28	18	8	12	12	7	2	10	0	3
Arts and recreation services	30	27	14	13	10	10	6	2	10	3	3
Construction	27	19	23	10	22	13	5	5	4	3	5
Education and training	37	25	3	21	10	18	3	5	9	0	1
Electricity, gas, water and waste services	0*	0*	0*	0*	26*	0*	0*	48*	0*	0*	0*
Financial and insurance services	68*	0*	9*	11*	2*	2*	0*	2*	9*	0*	0*
Health care and social assistance	22	22	8	15	13	7	10	5	5	2	1
Information media and telecommunications	41*	47*	16*	13*	0*	0*	0*	0*	0*	0*	0*
Manufacturing	34	16	11	11	8	11	2	12	6	3	2
Mining	58*	21*	0*	0*	0*	17*	21*	0*	0*	21*	0*
Professional, scientific and technical services	32	19	9	12	13	2	6	11	2	2	6
Public administration and safety	11	17	3	21	16	13	16	4	4	1	3
Rental, hiring and real estate services	20	25	14	16	14	8	8	11	0	2	6
Retail trade	23	22	20	20	10	10	7	3	7	5	2
Transport, postal and	18	24	17	16	9	13	7	3	3	8	1

Percentage of reasons for award reliance

	Award rates appropriate or fair remuneration	Affordability	Do not want to pay more	Ease, simplicity or unsure how much to pay above award rate	Common practice in the industry or sector	Equity, fairness or transparency of wage setting arrangements across the workforce	Legal requirement	Probationary period or new staff	Client/funding body requirement or direction to pay award rates	Advice from employer association to pay the award rates and not higher	Prefers to provide 'non-wage' benefits (i.e. bonuses, incentives)
warehousing											
Wholesale trade	21	21	24	23	14	9	3	2	0	0	7
Other services	31	18	25	14	10	7	4	4	5	5	2
All industries	27	21	18	15	12	10	7	5	5	3	3

Dataset: CATI datasets A & B. Questions: CATI Q15, Q17B. Base = Award-reliant organisations. Source: Award Reliance CATI Survey Question 17B, cell percentages, weights by organisations (Employer Weight A).

*Small cell size so may not be reliable. Note 1: Multiple responses possible so rows do not add to 100 per cent. Note 2: Responses of Historical reasons, No particular reason, Don't know, Refused and Other excluded as 1 per cent or less.

Table F.8: Typical categories of award-reliant employees by industry, percentages by cell

	Percentage of organisations who said that their award-reliant employees were found in these typical categories*									
	Occupational groups	Apprentices	Casuals	Skill level or experience	Part-timers	Juniors	Probationary or new recruits	Everyone except managers	Particular worksites	No typical categories
Accommodation and food services	20	2	21	3	7	2	2	3	0	10
Administrative and support services	28	2	12	6	9	3	4	7	2	14
Arts and recreation services	28	4	25	9	5	3	1	3	3	10
Construction	10	40	1	1	0	4	2	0	0	6
Education and training	26	8	20	5	3	1	1	0	0	11
Electricity, gas, water and waste services	21	26	0	0	0	0	21	0	0	26
Financial and insurance services	23	28	11	26	9	30	2	0	0	18
Health care and social assistance	23	4	7	9	8	3	4	3	1	16
Information media and telecommunications	44	0	13	16	0	28	0	0	0	0
Manufacturing	26	25	17	8	8	2	4	2	2	8
Mining	21	21	38	0	0	0	0	0	0	0
Professional, scientific and technical services	29	15	2	15	6	18	7	6	0	7
Public administration and safety	14	3	11	5	8	0	6	0	0	5
Rental, hiring and real estate services	28	9	12	8	6	5	8	4	3	11
Retail trade	23	10	15	7	7	4	6	3	0	11
Transport, postal and warehousing	26	3	10	7	3	3	3	1	1	6
Wholesale trade	38	9	37	20	9	2	8	3	3	3
Other services	11	38	7	6	6	2	6	5	0	9
All industries	21	15	13	7	6	4	4	3	1	10

Dataset: CATI datasets A & B. Base = Award-reliant organisations. Questions: CATI Q6, Q7, Q15 & Q17A. Source: Award Reliance CATI Survey Question 17A, cell percentages, weights by organisations (Employer Weight A). *Multiple responses possible.

Table F.9: Reasons for progression off award rates of pay, Mining industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	62
Growth/profit/market conditions	21
No reasons (incl. None of the above)	38

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent. Responses of Don't know, Refused and Other excluded as 1 per cent or less. - no responses for this option.

Table F.10: Reasons for progression off award rates of pay, Manufacturing industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	44
If/when new or additional skills are acquired	19
To retain good employees/reward loyalty	16
If/when additional qualifications are gained	14
If/when employee takes on additional responsibilities/higher duties in performing their role	13
After completion of apprenticeship/traineeship	9
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	8
Growth/profit/market conditions	7
When probationary period ends	5
Client/funding body stipulation	2
To attract staff	2
If/when they have a senior role that is not covered in the award classification structure	2
If they negotiate a higher rate of pay (for performing the same role)	2
If their personal circumstances require them to have a higher pay	2
No reason (incl. None of the above)	7
Other	1
Don't know	<1
Refused	<1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.11: Reasons for progression off award rates of pay, Electricity, gas, water and waste services industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	64
After completion of apprenticeship/traineeship	36
If/when additional qualifications are gained	29

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent. Responses of Don't know, Refused and Other excluded as 1 per cent or less. - no responses for this option.

Table F.12: Reasons for progression off award rates of pay, Construction industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	47
If/when employee takes on additional responsibilities/higher duties in performing their role	22
If/when new or additional skills are acquired	19
To retain good employees/reward loyalty	17
After completion of apprenticeship/traineeship	14
If/when additional qualifications are gained	11
Growth/profit/market conditions	9
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	5
If they negotiate a higher rate of pay (for performing the same role)	5
If their personal circumstances require them to have a higher pay	3
Client/funding body stipulation	1
When probationary period ends	1
If/when they have a senior role that is not covered in the award classification structure	1
Don't know	3

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.13: Reasons for progression off award rates of pay, Wholesale trade industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	44
If/when new or additional skills are acquired	18
If/when employee takes on additional responsibilities/higher duties in performing their role	16
To retain good employees/reward loyalty	14
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	11
If their personal circumstances require them to have a higher pay	7
If/when they have a senior role that is not covered in the award classification structure	5
Growth/profit/market conditions	5
If they negotiate a higher rate of pay (for performing the same role)	5
To attract staff	4
If/when additional qualifications are gained	4
When probationary period ends	4
No reason (incl. None of the above)	9
Don't know	5

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.14: Reasons for progression off award rates of pay, Retail industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	45
If/when employee takes on additional responsibilities/higher duties in performing their role	23
To retain good employees/reward loyalty	18
Growth/profit/market conditions	13
If/when new or additional skills are acquired	12
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	6
If/when additional qualifications are gained	5
When probationary period ends	3
After completion of apprenticeship/traineeship	3
If they negotiate a higher rate of pay (for performing the same role)	3
If/when they have a senior role that is not covered in the award classification structure	2
Client/funding body stipulation	1
If their personal circumstances require them to have a higher pay	1
To attract staff	1
No reason (incl. None of the above)	11
Other	1
Don't know	1
Refused	1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.15: Reasons for progression off award rates of pay, Accommodation and food services industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	38
If/when employee takes on additional responsibilities/higher duties in performing their role	23
To retain good employees/reward loyalty	18
If/when new or additional skills are acquired	15
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	11
If/when additional qualifications are gained	7
If they negotiate a higher rate of pay (for performing the same role)	6
Growth/profit/market conditions	6
If/when they have a senior role that is not covered in the award classification structure	5
If their personal circumstances require them to have a higher pay	2
When probationary period ends	1
To attract staff	1
After completion of apprenticeship/traineeship	1
Client/funding body stipulation	<1
No reason (incl. None of the above)	15
Other	1
Don't know	<1
Refused	<1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.16: Reasons for progression off award rates of pay, Transport, postal and warehousing industry, percentages by row

Reason—multiple responses possible	%
To reward performance/achievement/effort in performing their role	51
If/when new or additional skills are acquired	18
If they negotiate a higher rate of pay (for performing the same role)	10
Growth/profit/market conditions	9
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	8
To retain good employees/reward loyalty	8
Client/funding body stipulation	7
If/when employee takes on additional responsibilities/higher duties in performing their role	5
When probationary period ends	3
If/when additional qualifications are gained	2
After completion of apprenticeship/traineeship	2
If/when they have a senior role that is not covered in the award classification structure	2
No reason (incl. None of the above)	10
Other	1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent. Responses of Don't know and Refused excluded as 1 per cent or less. - no responses for this option.

Table F.17: Reasons for progression off award rates of pay, Information media and telecommunications industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	33
If/when employee takes on additional responsibilities/higher duties in performing their role	33
If/when new or additional skills are acquired	33
To retain good employees/reward loyalty	18
When probationary period ends	18
Growth/profit/market conditions	15

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent. Responses of Don't know, Refused and Other excluded as 1 per cent or less. - no responses for this option.

Table F.18: Reasons for progression off award rates of pay, Financial and insurance services industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	59
If/when employee takes on additional responsibilities/higher duties in performing their role	56
If/when additional qualifications are gained	38
If/when new or additional skills are acquired	21
After completion of apprenticeship/traineeship	20
When probationary period ends	12
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	9
To retain good employees/reward loyalty	3
To attract staff	2
No reason (incl. None of the above)	9

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent. Responses of Don't know, Refused and Other excluded as 1 per cent or less. - no responses for this option.

Table F.19: Reasons for progression off award rates of pay, Rental, hiring and real estate services industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	43
If/when employee takes on additional responsibilities/higher duties in performing their role	22
To retain good employees/reward loyalty	22
If/when new or additional skills are acquired	12
Growth/profit/market conditions	11
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	7
If/when additional qualifications are gained	4
When probationary period ends	4
If/when they have a senior role that is not covered in the award classification structure	3
If they negotiate a higher rate of pay (for performing the same role)	2
If their personal circumstances require them to have a higher pay	1
To attract staff	1
No reason (incl. None of the above)	4
Other	1
Don't know	3

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.20: Reasons for progression off award rates of pay, Professional, scientific and technical services industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	50
If/when employee takes on additional responsibilities/higher duties in performing their role	19
To retain good employees/reward loyalty	17
If/when new or additional skills are acquired	16
Growth/profit/market conditions	15
If they negotiate a higher rate of pay (for performing the same role)	8
If/when additional qualifications are gained	6
When probationary period ends	2
If/when they have a senior role that is not covered in the award classification structure	2
No reason (incl. None of the above)	10

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent. Responses of Don't know, Refused and Other excluded as 1 per cent or less. - no responses for this option.

Table F.21: Reasons for progression off award rates of pay, Administrative and support services industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	34
If/when employee takes on additional responsibilities/higher duties in performing their role	23
To retain good employees/reward loyalty	19
If/when new or additional skills are acquired	16
Growth/profit/market conditions	11
Client/funding body stipulation	8
If/when they have a senior role that is not covered in the award classification structure	7
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	7
If/when additional qualifications are gained	5
If they negotiate a higher rate of pay (for performing the same role)	3
When probationary period ends	1
To attract staff	<1
No reason (incl. None of the above)	16
Don't know	1
Refused	1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.22: Reasons for progression off award rates of pay, Public administration and safety industry, percentages by row

Reasons—multiple responses possible	%
If/when employee takes on additional responsibilities/higher duties in performing their role	27
To reward performance/achievement/effort in performing their role	25
If they negotiate a higher rate of pay (for performing the same role)	25
If their personal circumstances require them to have a higher pay	22
To retain good employees/reward loyalty	12
If/when new or additional skills are acquired	12
If/when additional qualifications are gained	8
When probationary period ends	5
After completion of apprenticeship/traineeship	5
Growth/profit/market conditions	3
If/when they have a senior role that is not covered in the award classification structure	1
No reason (incl. None of the above)	7

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent. Responses of Don't know, Refused and Other excluded as 1 per cent or less. - no responses for this option.

Table F.23: Reasons for progression off award rates of pay, Education and training industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	44
To retain good employees/reward loyalty	14
If/when additional qualifications are gained	14
Client/funding body stipulation	9
If/when employee takes on additional responsibilities/higher duties in performing their role	7
If/when new or additional skills are acquired	6
After completion of apprenticeship/traineeship	4
If/when they have a senior role that is not covered in the award classification structure	4
To attract staff	4
If they negotiate a higher rate of pay (for performing the same role)	2
Growth/profit/market conditions	2
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	2
No reason (incl. None of the above)	13
Other	2

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.24: Reasons for progression off award rates of pay, Health care and social assistance industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	34
If/when employee takes on additional responsibilities/higher duties in performing their role	15
To retain good employees/reward loyalty	13
If/when new or additional skills are acquired	11
If/when additional qualifications are gained	11
If they negotiate a higher rate of pay (for performing the same role)	8
Growth/profit/market conditions	7
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	5
Client/funding body stipulation	3
When probationary period ends	3
After completion of apprenticeship/traineeship	3
To attract staff	2
If/when they have a senior role that is not covered in the award classification structure	1
If their personal circumstances require them to have a higher pay	1
No reason (incl. None of the above)	13
Other	1
Don't know	6
Refused	3

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.25: Reasons for progression off award rates of pay, Arts and recreation services industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	36
If/when employee takes on additional responsibilities/higher duties in performing their role	23
To retain good employees/reward loyalty	17
Growth/profit/market conditions	16
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	8
If they negotiate a higher rate of pay (for performing the same role)	8
If/when new or additional skills are acquired	7
If/when they have a senior role that is not covered in the award classification structure	6
If/when additional qualifications are gained	2
After completion of apprenticeship/traineeship	2
No reason (incl. None of the above)	9
Other	0
Don't know	1
Refused	1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.26: Reasons for progression off award rates of pay, Other services industry, percentages by row

Reasons—multiple responses possible	%
To reward performance/achievement/effort in performing their role	35
If/when new or additional skills are acquired	19
After completion of apprenticeship/traineeship	18
If/when additional qualifications are gained	13
To retain good employees/reward loyalty	13
If/when employee takes on additional responsibilities/higher duties in performing their role	8
Growth/profit/market conditions	7
If they negotiate a higher rate of pay (for performing the same role)	6
If/when they change roles in the organisation (i.e. a role that is not an award-reliant role)	2
When probationary period ends	2
To attract staff	1
Client/funding body stipulation	1
If their personal circumstances require them to have a higher pay	1
No reason (incl. None of the above)	10
Other	1
Don't know	2
Refused	1

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q15 & Q20. Base = Award-reliant organisations whose workforce is not wholly award-reliant. Source: Award Reliance CATI Survey Question 20, cell percentages, weights by organisations (Employer Weight A). *Small cell size so may not be reliable. Note: Multiple responses possible so rows do not add to 100 per cent.

Table F.27: Business characteristics in the Accommodation and food services industry by degree of workforce award reliance, percentages by column within characteristic

	Percentage of award reliance					
	Accommodation and food services			All industries		
	Less than ¼	From ¼ and up to less than ¾	¾ or more	Less than ¼	From ¼ and up to less than ¾	¾ or more
Years of operation under current ownership						
Less than 1 year	5	7	6	2	4	3
1 year to less than 2 years	6	7	5	2	4	4
2 years to less than 5 years	6	19	20	6	12	16
More than 5 years	84	67	69	90	80	77
Don't know/Refused	0	0	0	0	0	0
Total	100	100	100	100	100	100
Hours of operation						
Standard operating hours [#]	0	9	2	42	38	27
Outside standard operating hours	100	91	98	58	62	73
Total	100	100	100	100	100	100
Profit/surplus in last financial year						
Profit/surplus	64	70	66	78	68	64
Loss/deficit	30	25	26	13	23	25
Did not operate	0	2	1	0	0	0
Don't know/Refused	6	3	7	9	9	10

	Percentage of award reliance					
	Accommodation and food services			All industries		
	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more
Total	100	100	100	100	100	100
Geographic markets operating in						
Local only	84	94	97	43	66	81
Outside local area	6	1	0	4	4	3
Both	11	6	3	53	30	16
Total	100	100	100	100	100	100
Workforce expansion						
Increased	11	16	15	36	22	18
Reduced	29	25	23	22	25	25
Stayed the same	59	58	61	42	52	56
Don't know/Refused	0	1	1	0	0	1
Total	100	100	100	100	100	100
Labour costs as percentage of operating expenses						
Less than 25 per cent	2	11	20	13	14	19
Between 25 per cent and less than 50 per cent	51	55	42	30	31	29
Between 50 per cent and less than 75 per cent	19	9	6	25	18	14
More than 75 per cent	0	1	1	4	6	5
Don't know/Refused	28	24	31	28	31	33

	Percentage of award reliance					
	Accommodation and food services			All industries		
	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more
Total	100	100	100	100	100	100
Main revenue stream						
The general public—consumers	100	81	90	46	62	73
Small- or medium-sized organisations	0	15	4	28	23	13
Large organisations	0	1	3	16	10	8
Government organisations	0	0	0	7	3	5
Don't know/Refused	0	3	2	3	2	1
Total	100	100	100	100	100	100
Labour market conditions						
Adequate supply	49	69	76	70	71	75
Shortage of skilled workers only	22	12	13	19	19	14
Shortage of lower/unskilled workers only	0	4	3	4	2	4
Shortage at all skill levels	29	15	8	7	7	7
Don't know/Refused	0	1	0	0	1	1
Total	100	100	100	100	100	100

Dataset: CATI datasets A & B cross-tabulated with detailed award wages dataset C. Questions: CATI Q6, Q7, Q15, Q23 to Q31, OL Q3 & Q7. Base = award-reliant organisations, percentages by column, weights by organisations (Employer Weight C). *Standard hours were considered to be up to 50 hours per week from Monday to Friday.

Table F.28: Business characteristics in the Retail trade industry by degree of workforce award reliance, percentages by column within characteristic

	Percentage of award reliance					
	Retail trade			All industries		
	Less than ¼	From ¼ and up to less than ¾	¾ or more	Less than ¼	From ¼ and up to less than ¾	¾ or more
Years of operation under current ownership						
Less than 1 year	2	1	3	2	4	3
1 year to less than 2 years	2	6	2	2	4	4
2 years to less than 5 years	9	9	8	6	12	16
More than 5 years	87	84	87	90	80	77
Don't know/Refused	0	0	0	0	0	0
Total	100	100	100	100	100	100
Hours of operation						
Standard operating hours [#]	11	7	8	42	38	27
Outside standard operating hours	89	93	92	58	62	73
Total	100	100	100	100	100	100
Profit/surplus in last financial year						
Profit/surplus	81	67	65	78	68	64
Loss/deficit	11	26	26	13	23	25
Did not operate	0	0	0	0	0	0
Don't know/Refused	7	7	8	9	9	10

	Percentage of award reliance					
	Retail trade			All industries		
	Less than ¼	From ¼ and up to less than ¾	¾ or more	Less than ¼	From ¼ and up to less than ¾	¾ or more
Total	100	100	100	100	100	100
Geographic markets operating in						
Local only	62	79	88	43	66	81
Outside local area	5	1	2	4	4	3
Both	33	20	10	53	30	16
Total	100	100	100	100	100	100
Workforce expansion						
Increased	36	17	18	36	22	18
Reduced	16	28	33	22	25	25
Stayed the same	47	54	49	42	52	56
Don't know/Refused	0	0	0	0	0	1
Total	100	100	100	100	100	100
Labour costs as percentage of operating expenses						
Less than 25 per cent	23	29	38	13	14	19
Between 25 per cent and less than 50 per cent	25	28	16	30	31	29
Between 50 per cent and less than 75 per cent	16	13	8	25	18	14
More than 75 per cent	0	1	1	4	6	5

	Percentage of award reliance					
	Retail trade			All industries		
	Less than ¼	From ¼ and up to less than ¾	¾ or more	Less than ¼	From ¼ and up to less than ¾	¾ or more
Don't know/Refused	36	29	36	28	31	33
Total	100	100	100	100	100	100
Main revenue stream						
The general public—consumers	67	79	93	46	62	73
Small- or medium-sized organisations	23	13	5	28	23	13
Large organisations	3	3	0	16	10	8
Government organisations	3	3	1	7	3	5
Don't know/Refused	4	2	0	3	2	1
Total	100	100	100	100	100	100
Labour market conditions						
Adequate supply	70	71	75	63	79	82
Shortage of skilled workers only	19	19	14	21	15	10
Shortage of lower/unskilled workers only	4	2	4	9	2	3
Shortage at all skill levels	7	7	7	5	4	5
Don't know/Refused	0	1	1	1	0	0
Total	100	100	100	100	100	100

Dataset: CATI datasets A & B cross-tabulated with detailed award wages dataset C. Questions: CATI Q6, Q7, Q15, Q23 to Q31, OL Q3 & Q7. Base = award-reliant organisations, percentages by column, weights by organisations (Employer Weight C). *Standard hours were considered to be up to 50 hours per week from Monday to Friday.

Table F.29: Business characteristics in the Health care and social assistance industry by degree of workforce award reliance, percentages by column within characteristic

	Percentage of award reliance					
	Health care and social assistance			All industries		
	Less than ¼	From ¼ and up to less than ¾	¾ or more	Less than ¼	From ¼ and up to less than ¾	¾ or more
Years of operation under current ownership						
Less than 1 year	2	2	1	2	4	3
1 year to less than 2 years	2	6	1	2	4	4
2 years to less than 5 years	12	4	13	6	12	16
More than 5 years	84	88	85	90	80	77
Don't know/Refused	0	0	0	0	0	0
Total	100	100	100	100	100	100
Hours of operation						
Standard operating hours [#]	43	56	59	42	38	27
Outside standard operating hours	57	44	41	58	62	73
Total	100	100	100	100	100	100
Profit/surplus in last financial year						
Profit/surplus	74	75	53	78	68	64
Loss/deficit	13	12	13	13	23	25
Did not operate	0	0	0	0	0	0
Don't know/Refused	14	13	34	9	9	10

	Percentage of award reliance					
	Health care and social assistance			All industries		
	Less than ¼	From ¼ and up to less than ¾	¾ or more	Less than ¼	From ¼ and up to less than ¾	¾ or more
Total	100	100	100	100	100	100
Geographic markets operating in						
Local only	80	88	85	43	66	81
Outside local area	0	1	5	4	4	3
Both	20	12	10	53	30	16
Total	100	100	100	100	100	100
Workforce expansion						
Increased	34	24	18	36	22	18
Reduced	2	10	13	22	25	25
Stayed the same	65	67	69	42	52	56
Don't know/Refused	0	0	0	0	0	1
Total	100	100	100	100	100	100
Labour costs as percentage of operating expenses						
Less than 25 per cent	9	15	1	13	14	19
Between 25 per cent and less than 50 per cent	28	20	24	30	31	29
Between 50 per cent and less than 75 per cent	26	17	22	25	18	14
More than 75 per cent	10	5	11	4	6	5
Don't know/Refused	27	42	42	28	31	33

	Percentage of award reliance					
	Health care and social assistance			All industries		
	Less than ¼	From ¼ and up to less than ¾	¾ or more	Less than ¼	From ¼ and up to less than ¾	¾ or more
Total	100	100	100	100	100	100
Main revenue stream						
The general public—consumers	79	78	63	46	62	73
Small- or medium-sized organisations	0	6	2	28	23	13
Large organisations	2	1	1	16	10	8
Government organisations	19	13	33	7	3	5
Don't know/Refused	0	1	1	3	2	1
Total	100	100	100	100	100	100
Labour market conditions						
Adequate supply	75	76	68	70	71	75
Shortage of skilled workers only	22	21	18	19	19	14
Shortage of lower/unskilled workers only	2	1	6	4	2	4
Shortage at all skill levels	2	1	7	7	7	7
Don't know/Refused	0	1	0	0	1	1
Total	100	100	100	100	100	100

Dataset: CATI datasets A & B cross-tabulated with detailed award wages dataset C. Questions: CATI Q6, Q7, Q15, Q23 to Q31, OL Q3 & Q7. Base = award-reliant organisations, percentages by column, weights by organisations (Employer Weight C). #Standard hours were considered to be up to 50 hours per week from Monday to Friday.

Table F.30: Business characteristics in the Administrative and support services industry by degree of workforce award reliance, percentages by column within characteristic

	Percentage of award reliance					
	Administrative and support services			All industries		
	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more
Years of operation under current ownership						
Less than 1 year	0	0	2	2	4	3
1 year to less than 2 years	0	0	3	2	4	4
2 years to less than 5 years	0	22	18	6	12	16
More than 5 years	94	78	78	90	80	77
Don't know/Refused	6	0	0	0	0	0
Total	100	100	100	100	100	100
Hours of operation						
Standard operating hours [#]	44	33	30	42	38	27
Outside standard operating hours	56	67	65	58	62	73
Don't know/Refused	0	0	5	0	0	0
Total	100	100	100	100	100	100
Profit/surplus in last financial year						
Profit/surplus	87	70	76	78	68	64
Loss/deficit	4	26	17	13	23	25
Did not operate	0	0	0	0	0	0
Don't know/Refused	10	5	8	9	9	10
Total	100	100	100	100	100	100
Geographic markets operating in						
Local only	27	63	67	43	66	81

	Percentage of award reliance					
	Administrative and support services			All industries		
	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more
Outside local area	0	7	3	4	4	3
Both	73	30	30	53	30	16
Total	100	100	100	100	100	100
Workforce expansion						
Increased	38	13	14	36	22	18
Reduced	13	30	27	22	25	25
Stayed the same	48	57	58	42	52	56
Don't know/Refused	0	0	1	0	0	1
Total	100	100	100	100	100	100
Labour costs as proportion of operating expenses						
Less than 25 per cent	9	4	4	13	14	19
Between 25 per cent and less than 50 per cent	7	15	9	30	31	29
Between 50 per cent and less than 75 per cent	35	21	30	25	18	14
More than 75 per cent	28	29	31	4	6	5
Don't know/Refused	21	31	26	28	31	33
Total	100	100	100	100	100	100
Main revenue stream						
The general public—consumers	19	31	13	46	62	73
Small- or medium-sized organisations	15	33	53	28	23	13
Large organisations	54	34	24	16	10	8
Government organisations	13	0	7	7	3	5
Don't know/Refused	0	2	3	3	2	1

	Percentage of award reliance					
	Administrative and support services			All industries		
	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more	Less than $\frac{1}{4}$	From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more
Total	100	100	100	100	100	100
Labour market conditions						
Adequate supply	78	79	65	73	70	71
Shortage of skilled workers only	11	12	11	16	19	19
Shortage of lower/unskilled workers only	3	1	9	3	4	2
Shortage at all skill levels	8	8	12	7	7	7
Don't know/Refused	0	0	2	0	1	1
Total	100	100	100	100	100	100

Dataset: CATI datasets A & B cross-tabulated with detailed award wages dataset C. Questions: CATI Q6, Q7, Q15, Q23 to Q31, OL Q3 & Q7. Base = award-reliant organisations, percentages by column, weights by organisations (Employer Weight C). #Standard hours were considered to be up to 50 hours per week from Monday to Friday.

Table F.31: Business characteristics in the Manufacturing industry by degree of workforce award reliance, percentages by column within characteristic

	Percentage of award reliance					
	Less than $\frac{1}{4}$	Manufacturing From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more	Less than $\frac{1}{4}$	All industries From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more
Years of operation under current ownership						
Less than 1 year	4	4	5	2	4	3
1 year to less than 2 years	3	2	0	2	4	4
2 years to less than 5 years	7	6	15	6	12	16
More than 5 years	87	87	81	90	80	77
Don't know/Refused	0	0	0	0	0	0
Total	100	100	100	100	100	100
Hours of operation						
Standard operating hours [#]	52	68	54	42	38	27
Outside standard operating hours	48	32	46	58	62	73
Total	100	100	100	100	100	100
Profit/surplus in last financial year						
Profit/surplus	85	62	65	78	68	64
Loss/deficit	9	32	33	13	23	25
Did not operate	0	0	0	0	0	0
Don't know/Refused	6	6	2	9	9	10
Total	100	100	100	100	100	100
Geographic markets operating in						
Local only	28	31	68	43	66	81
Outside local area	11	5	5	4	4	3

	Percentage of award reliance					
	Less than $\frac{1}{4}$	Manufacturing From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more	Less than $\frac{1}{4}$	All industries From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more
Both	61	64	28	53	30	16
Total	100	100	100	100	100	100
Workforce expansion						
Increased	28	21	12	36	22	18
Reduced	32	34	31	22	25	25
Stayed the same	40	46	57	42	52	56
Don't know/Refused	0	0	0	0	0	1
Total	100	100	100	100	100	100
Labour costs as percentage of operating expenses						
Less than 25 per cent	15	11	21	13	14	19
Between 25 per cent and less than 50 per cent	30	28	24	30	31	29
Between 50 per cent and less than 75 per cent	17	23	15	25	18	14
More than 75 per cent	4	1	1	4	6	5
Don't know/Refused	34	37	39	28	31	33
Total	100	100	100	100	100	100
Main revenue stream						
The general public—consumers	15	10	33	46	62	73
Small- or medium-sized organisations	42	56	45	28	23	13
Large organisations	30	30	20	16	10	8
Government organisations	8	2	2	7	3	5
Don't know/Refused	5	3	0	3	2	1
Total	100	100	100	100	100	100

	Percentage of award reliance					
	Less than $\frac{1}{4}$	Manufacturing From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more	Less than $\frac{1}{4}$	All industries From $\frac{1}{4}$ and up to less than $\frac{3}{4}$	$\frac{3}{4}$ or more
Labour market conditions						
Adequate supply	68	73	65	70	71	75
Shortage of skilled workers only	24	21	21	19	19	14
Shortage of lower/unskilled workers only	3	2	0	4	2	4
Shortage at all skill levels	5	3	9	7	7	7
Don't know/Refused	0	1	5	0	0	0
Total	100	100	100	100	100	100

Dataset: CATI datasets A & B cross-tabulated with detailed award wages dataset C. Questions: CATI Q6, Q7, Q15, Q23 to Q31, OL Q3 & Q7. Base = award-reliant organisations, percentages by column, weights by organisations (Employer Weight C). #Standard hours were considered to be up to 50 hours per week from Monday to Friday..

Table F.32: Share of workforce by pay-setting arrangement by award-reliant status of organisations and industry, percentages by row

	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise agreement	Other pay-setting arrangement	
Accommodation and food services				
Employees in award-reliant organisations	73	7	20	100
Employees in organisations that were not award-reliant	0	41	59	100
All employees	54	16	30	100
Administrative and support services				
Employees in award-reliant organisations	63	8	29	100
Employees in organisations that were not award-reliant	0	21	79	100
All employees	35	14	51	100
Arts and recreation services				
Employees in award-reliant organisations	55	24	21	100
Employees in organisations that were not award-reliant	0	35	65	100
All employees	27	29	44	100
Retail trade				
Employees in award-reliant organisations	48	11	41	100
Employees in organisations that were not award-reliant	0	35	65	100
All employees	27	22	52	100
Health care and social assistance				
Employees in award-reliant organisations	48	28	25	100
Employees in organisations that were not award-reliant	0	48	52	100
All employees	18	40	42	100

	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise agreement	Other pay-setting arrangement	
Public administration and safety				
Employees in award-reliant organisations	59	19	25	100
Employees in organisations that were not award-reliant	0	61	39	100
All employees	18	48	34	100
Other services				
Employees in award-reliant organisations	43	4	53	100
Employees in organisations that were not award-reliant	0	19	81	100
All employees	15	14	71	100
Education and training				
Employees in award-reliant organisations	52	14	35	100
Employees in organisations that were not award-reliant	0	51	49	100
All employees	14	41	45	100
Rental, hiring and real estate services				
Employees in award-reliant organisations	42	3	55	100
Employees in organisations that were not award-reliant	0	11	89	100
All employees	14	8	78	100
Information media and telecommunications				
Employees in award-reliant organisations	23	7	70	100
Employees in organisations that were not award-reliant	0	10	90	100
All employees	13	8	79	100
Wholesale trade				
Employees in award-reliant organisations	39	8	53	100

	Percentage of workforce by pay-setting arrangement			
	Award-reliant*	Enterprise agreement	Other pay-setting arrangement	Total
Employees in organisations that were not award-reliant	0	20	80	100
All employees	12	16	72	100
Transport, postal and warehousing				
Employees in award-reliant organisations	34	31	35	100
Employees in organisations that were not award-reliant	0	36	64	100
All employees	10	35	56	100
Manufacturing				
Employees in award-reliant organisations	35	7	57	100
Employees in organisations that were not award-reliant	0	37	63	100
All employees	7	31	62	100
Construction				
Employees in award-reliant organisations	43	8	49	100
Employees in organisations that were not award-reliant	0	26	74	100
All employees	7	23	69	100
Electricity, gas, water and waste services				
Employees in award-reliant organisations	11	20	69	100
Employees in organisations that were not award-reliant	0	48	52	100
All employees	4	38	58	100
Professional, scientific and technical services				
Employees in award-reliant organisations	28	0	72	100
Employees in organisations that were not award-reliant	0	5	95	100
All employees	4	4	91	100

	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise agreement	Other pay-setting arrangement	
Financial and insurance services				
Employees in award-reliant organisations	23	0	77	100
Employees in organisations that were not award-reliant	0	6	94	100
All employees	3	6	91	100
Mining				
Employees in award-reliant organisations	24	0	76	100
Employees in organisations that were not award-reliant	0	46	54	100
All employees	1	45	54	100
All industries				
Employees in award-reliant organisations	51	11	38	100
Employees in organisations that were not award-reliant	0	29	71	100
All employees	19	22	59	100

Dataset: CATI datasets A & B. Questions: CATI Q6, Q7, Q8, Q14B & Q15. Base = all employees, percentages by cell, weights by organisations (Employee weight A). *Award-based included award-reliant and other pay-setting arrangements where an award is used in some way to guide pay-setting decision. **Award-reliant was restricted to employees paid exactly the rate specified in the award. ***Organisations using 'over-award' arrangements was estimated by subtracting award reliance from 'award-based'.

Table F.33: Share of workforce by pay-setting arrangement by size of organisation and award-reliant status of organisation, percentages by row

Organisation size	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise agreement	Other pay-setting arrangement**	
Micro				
Award-reliant organisations	72	1	27	100
Organisations that were not award-reliant	0	3	97	100
All organisations with 1 to 4 employees	14	3	83	100
Small				
Award-reliant organisations	60	1	39	100
Organisations that were not award-reliant	0	9	91	100
All organisations with 5 to 19 employees	21	6	73	100
Medium				
Award-reliant organisations	54	5	41	100
Organisations that were not award-reliant	0	30	70	100
All organisations with 20 to 99 employees	23	20	58	100
Large				
Award-reliant organisations	40	22	38	100
Organisations that were not award-reliant	0	57	43	100
All organisations with 20 to 99 employees	17	42	41	100
All organisations	19	22	59	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q14B & Q15. Base = all employees, percentages by cell, weights by organisations (Employee weight A). *Award-based included award-reliant and other pay-setting arrangements where an award is used in some way to guide pay-setting decision. **Award-reliant was restricted to employees paid exactly the rate specified in the award. ***Organisations using 'over-award' arrangements was estimated by subtracting award reliance from 'award-based'.

Table F.34: Share of workforce by pay-setting arrangement by state or territory and award-reliant status of organisation, percentages by row

	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise agreement	Other pay-setting arrangement**	
New South Wales				
Award-reliant organisations	51	9	40	100
Organisations that were not award-reliant	0	25	75	100
All organisations	21	18	61	100
Victoria				
Award-reliant organisations	51	13	36	100
Organisations that were not award-reliant	0	28	72	100
All organisations	18	23	59	100
Queensland				
Award-reliant organisations	49	13	38	100
Organisations that were not award-reliant	0	32	68	100
All organisations	19	24	57	100
Western Australia				
Award-reliant organisations	48	14	38	100
Organisations that were not award-reliant	0	29	71	100
All organisations	11	26	63	100
South Australia				
Award-reliant organisations	45	15	40	100
Organisations that were not award-reliant	0	34	66	100
All organisations	22	25	53	100

	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise agreement	Other pay-setting arrangement**	
Tasmania				
Award-reliant organisations	74	2	25	100
Organisations that were not award-reliant	0	41	59	100
All organisations	28	26	46	100
Northern Territory				
Award-reliant organisations	40	6	54	100
Organisations that were not award-reliant	0	31	69	100
All organisations	7	27	67	100
Australian Capital Territory				
Award-reliant organisations	52	9	39	100
Organisations that were not award-reliant	0	23	77	100
All organisations	18	19	64	100
All states and territories				
Award-reliant organisations	51	11	38	100
Organisations that were not award-reliant	0	29	71	100
All organisations	19	22	59	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q10, Q14B & Q15. Base = all employees, percentages by cell, weights by organisations (Employee weight A). *Award-based included award-reliant and other pay-setting arrangements where an award is used in some way to guide pay-setting decision. **Award-reliant was restricted to employees paid exactly the rate specified in the award. ***Organisations using 'over-award' arrangements was estimated by subtracting award reliance from 'award-based'.

Table F.35: Share of workforce by pay-setting arrangement by location and award-reliant status of organisation, percentages by row

Location	Percentage of workforce by pay-setting arrangement			Total
	Award-reliant*	Enterprise agreement	Other pay-setting arrangement**	
Metropolitan				
Award-reliant organisations	48	11	40	100
Organisations that were not award-reliant	0	25	75	100
All organisations in metropolitan locations	17	20	63	100
Regional or rural				
Award-reliant organisations	58	8	34	100
Organisations that were not award-reliant	0	33	67	100
All organisations in regional or rural locations	23	23	54	100
Both metropolitan and regional/rural				
Award-reliant organisations	28	29	42	100
Organisations that were not award-reliant	0	56	44	100
All organisations with both metropolitan and regional or rural locations	13	44	43	100
All locations				
All award-reliant organisations	51	11	38	100
All organisations that were not award-reliant	0	29	71	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q11, Q12, Q13, Q14B & Q15. Base = all employees, percentages by cell, weights by organisations (Employee weight A). *Award-reliant was restricted to employees paid exactly the rate specified in the award. **Organisations using 'over-award' arrangements was estimated by subtracting award reliance from 'award-based'.

Table F.36: Modern award used to pay by award-reliant employees, percentages by column across all industries

	Percentage of award-reliant employees using award
<i>Hospitality Industry (General) Award 2010</i>	15
<i>Clerks Private Sector Award 2010</i>	12
<i>General Retail Industry Award 2010</i>	11
<i>Cleaning Services Award 2010</i>	9
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	4
<i>Restaurant Industry Award 2010</i>	4
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	4
<i>Children's Services Award 2010</i>	3
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	3
<i>Security Services Industry Award 2010</i>	3
<i>Building and Construction General On-site Award 2010</i>	3
<i>Registered and Licensed Clubs Award 2010</i>	2
<i>Road Transport and Distribution Award 2010</i>	2
<i>Storage Services and Wholesale Award 2010</i>	2
<i>Educational Services (Teachers) Award 2010</i>	2
<i>Health Professionals and Support Services Award 2010</i>	2
<i>Fast Food Industry Award 2010</i>	1
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	1
<i>Gardening and Landscaping Services Award 2010</i>	1
<i>Electrical, Electronic and Communications Contracting Award 2010</i>	1
<i>Pharmacy Industry Award 2010</i>	1
<i>Aged Care Award 2010</i>	1
<i>Nurses Award 2010</i>	1
<i>Real Estate Industry Award 2010</i>	<1
<i>Hair and Beauty Industry Award 2010</i>	<1
<i>Educational Services (Post-Secondary Education) Award 2010</i>	<1
<i>Supported Employment Services Award 2010</i>	<1
<i>Amusement, Events and Recreation Award 2010</i>	<1
<i>Graphic Arts, Printing and Publishing Award 2010</i>	<1
<i>Meat Industry Award 2010</i>	<1
<i>Labour Market Assistance Industry Award 2010</i>	<1
<i>Joinery and Building Trades Award 2010</i>	<1
<i>Passenger Vehicle Transportation Award 2010</i>	<1
<i>Road Transport (Long Distance Operations) Award 2010</i>	<1
<i>Telecommunications Services Award 2010</i>	<1
<i>Timber Industry Award 2010</i>	<1

	Percentage of award-reliant employees using award
<i>Journalists Published Media Award 2010</i>	<1
<i>Legal Services Award 2010</i>	<1
<i>Plumbing and Fire Sprinklers Award 2010</i>	<1
<i>Horticulture Award 2010</i>	<1
<i>Nursery Award 2010</i>	<1
<i>Business Equipment Award 2010</i>	<1
<i>Wine Industry Award 2010</i>	<1
<i>Waste Management Award 2010</i>	<1
<i>Fitness Industry Award 2010</i>	<1
<i>Commercial Sales Award 2010</i>	<1
<i>Miscellaneous Award 2010</i>	<1
<i>Textile, Clothing, Footwear and Associated Industries Award 2010</i>	<1
<i>Animal Care and Veterinary Services Award 2010</i>	<1
<i>Local Government Industry Award 2010</i>	<1
<i>Racing Clubs Events Award 2010</i>	<1
<i>Professional Employees Award 2010</i>	<1
<i>Banking, Finance and Insurance Award 2010</i>	<1
<i>State Government Agencies Administration Award 2010</i>	<1
<i>Aboriginal Community Controlled Health Services Award 2010</i>	<1
<i>Live Performance Award 2010</i>	<1
<i>Market and Social Research Award 2010</i>	<1
<i>Air Pilots Award 2010</i>	<1
<i>Dry Cleaning and Laundry Industry Award 2010</i>	<1
<i>Architects Award 2010</i>	<1
<i>Seafood Processing Award 2010</i>	<1
<i>Educational Services (Schools) General Staff Award 2010</i>	<1
<i>Medical Practitioners Award 2010</i>	<1
<i>Corrections and Detention (Private Sector) Award 2010</i>	<1
<i>Higher Education Industry</i>	<1
<i>Pest Control Industry Award 2010</i>	<1
<i>Sporting Organisations Award 2010</i>	<1
<i>Horse and Greyhound Training Award 2010</i>	<1
<i>Electrical Power Industry Award 2010</i>	<1
<i>Racing Industry Ground Maintenance Award 2010</i>	<1
<i>Funeral Industry Award 2010</i>	<1
<i>Broadcasting and Recorded Entertainment Award 2010</i>	<1
<i>Aquaculture Industry Award 2010</i>	<1
<i>Pharmaceutical Industry Award 2010</i>	<1
<i>Professional Diving Industry (Recreational) Award 2010</i>	<1

	Percentage of award-reliant employees using award
<i>Airline Operations Ground Staff Award 2010</i>	<1
<i>Rail Industry Award 2010</i>	<1
<i>Surveying Award 2010</i>	<1
<i>Quarrying Award 2010</i>	<1
<i>Concrete Products Award 2010</i>	<1
<i>Marine Tourism and Charter Vessels Award 2010</i>	<1
<i>Premixed Concrete Award 2010</i>	<1
<i>Mining Industry Award 2010</i>	<1
<i>Contract Call Centres Award 2010</i>	<1
Award-based transitional instrument (AN code)	<1
Transitional Award (AT code)	<1
National Employment Standard (NES)	<1
Not an award	<1
Enterprise award	<1
Don't know	<1
Total	100

Dataset: CATI datasets A & B. Questions: CATI Q8, Q15, Q16B. Base = all employees, percentages by cell, weights by employees (Employee weight A). Respondents did not specify whether references made to the Higher Education Industry award was to the *Higher Education Industry—Academic Staff—Award 2010* or the *Higher Education Industry—General Staff—Award 2010*.

Table F.37: Modern awards used to pay award-reliant employees in the Accommodation and food services industry, percentages by column

	Percentage of award-reliant employees using award	
	Accommodation and food services	All industries
<i>Hospitality Industry (General) Award 2010</i>	63	21
<i>Restaurant Industry Award 2010</i>	16	5
<i>Fast Food Industry Award 2010</i>	5	2
<i>Registered and Licensed Clubs Award 2010</i>	4	3
<i>Gardening and Landscaping Services Award 2010</i>	1	2
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	1	2
<i>Amusement, Events and Recreation Award 2010</i>	1	1
<i>Joinery and Building Trades Award 2010</i>	1	1
<i>Hair and Beauty Industry Award 2010</i>	1	1
<i>Clerks Private Sector Award 2010</i>	1	17
<i>Security Services Industry Award 2010</i>	1	4
<i>General Retail Industry Award 2010</i>	1	16
<i>Cleaning Services Award 2010</i>	<1	13
<i>Nurses Award 2010</i>	<1	1
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	<1	4
<i>Higher Education Industry</i>	<1	<1
<i>Educational Services (Teachers) Award 2010</i>	<1	2
<i>Horticulture Award 2010</i>	<1	1
<i>Road Transport and Distribution Award 2010</i>	<1	3
<i>Sporting Organisations Award 2010</i>	<1	<1
Award-based transitional instrument (AN code)	1	<1
Not an award	<1	<1
Don't know	1	1
Total	100	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6B & Q7. Base = Award-reliant employees, cell percentages, weights by employees (Employee weight C). Respondents did not specify whether references made to the Higher Education Industry award was to the *Higher Education Industry—Academic Staff—Award 2010* or the *Higher Education Industry—General Staff—Award 2010*.

Table F.38: Modern awards used to pay award-reliant employees in the Retail trade industry, percentages by column

	Percentage of award-reliant employees using award	
	Retail trade	All industries
<i>General Retail Industry Award 2010</i>	53	14
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	13	5
<i>Clerks Private Sector Award 2010</i>	10	15
<i>Pharmacy Industry Award 2010</i>	7	2
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	5	5
<i>Storage Services and Wholesale Award 2010</i>	3	2
<i>Road Transport and Distribution Award 2010</i>	2	3
<i>Meat Industry Award 2010</i>	2	<1
<i>Fast Food Industry Award 2010</i>	1	2
<i>Nursery Award 2010</i>	1	<1
<i>Timber Industry Award 2010</i>	1	<1
<i>Hospitality Industry (General) Award 2010</i>	<1	18
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	<1	2
<i>Hair and Beauty Industry Award 2010</i>	<1	1
<i>Seafood Processing Award 2010</i>	<1	<1
<i>Restaurant Industry Award 2010</i>	<1	5
<i>Educational Services (Post-Secondary Education) Award 2010</i>	<1	1
<i>Cleaning Services Award 2010</i>	<1	11
<i>Professional Diving Industry (Recreational) Award 2010</i>	<1	<1
<i>Miscellaneous Award 2010</i>	<1	<1
<i>Health Professionals and Support Services Award 2010</i>	<1	2
<i>Textile, Clothing, Footwear and Associated Industries Award 2010</i>	<1	<1
<i>Telecommunications Services Award 2010</i>	<1	1
<i>State Government Agencies Administration Award 2010</i>	<1	<1
<i>Building and Construction General On-site Award 2010</i>	<1	3
<i>Amusement, Events and Recreation Award 2010</i>	<1	1
<i>Plumbing and Fire Sprinklers Award 2010</i>	<1	1
<i>Business Equipment Award 2010</i>	<1	<1
<i>Pharmaceutical Industry Award 2010</i>	<1	<1
<i>Quarrying Award 2010</i>	<1	<1
<i>Electrical, Electronic and Communications Contracting Award 2010</i>	<1	2
<i>Gardening and Landscaping Services Award 2010</i>	<1	2
<i>Nurses Award 2010</i>	<1	1
<i>Fitness Industry Award 2010</i>	<1	<1

Award reliance

	Percentage of award-reliant employees using award	
	Retail trade	All industries
Enterprise award	<1	<1
Award-based transitional instrument (AN code)	<1	<1
Transitional award (AT code)	<1	<1
Don't know	<1	1
Total	100	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6B & Q7. Base = Award-reliant employees, cell percentages, weights by employees (Employee weight C).

Table F.39: Modern awards used to pay award-reliant employees in the Health care and social assistance industry, percentages by column

	Percentage of award-reliant employees using award	
	Health care and social assistance	All industries
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	21	5
<i>Children's Services Award 2010</i>	17	5
<i>Health Professionals and Support Services Award 2010</i>	13	3
<i>Educational Services (Teachers) Award 2010</i>	11	3
<i>Aged Care Award 2010</i>	9	2
<i>Nurses Award 2010</i>	8	2
<i>Clerks Private Sector Award 2010</i>	8	20
<i>Supported Employment Services Award 2010</i>	4	1
<i>Labour Market Assistance Industry Award 2010</i>	1	1
<i>Educational Services (Post-Secondary Education) Award 2010</i>	1	1
<i>Restaurant Industry Award 2010</i>	1	6
<i>Waste Management Award 2010</i>	1	<1
<i>Miscellaneous Award 2010</i>	1	<1
<i>Aboriginal Community Controlled Health Services Award 2010</i>	1	<1
<i>General Retail Industry Award 2010</i>	1	19
<i>Medical Practitioners Award 2010</i>	1	<1
<i>Nursery Award 2010</i>	<1	1
<i>Cleaning Services Award 2010</i>	<1	15
<i>Gardening and Landscaping Services Award 2010</i>	<1	2
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	<1	7
<i>Passenger Vehicle Transportation Award 2010</i>	<1	1
<i>State Government Agencies Administration Award 2010</i>	<1	<1
<i>Hair and Beauty Industry Award 2010</i>	<1	1
<i>Building and Construction General On-site Award 2010</i>	<1	4
Not an award	<1	<1
Don't know	<1	1
Total	100	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6B & Q7. Base = Award-reliant employees, cell percentages, weights by employees (Employee weight C).

Table F.40: Modern awards used to pay for award-reliant employees in the Administrative and support services industry, percentages by column

	Percentage of award-reliant employees using award	
	Administrative and support services	All industries
<i>Cleaning Services Award 2010</i>	42	12
<i>Clerks Private Sector Award 2010</i>	19	15
<i>Security Services Industry Award 2010</i>	10	3
<i>Building and Construction General On-site Award 2010</i>	5	3
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	4	5
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	3	2
<i>Telecommunications Services Award 2010</i>	2	1
<i>Storage Services and Wholesale Award 2010</i>	2	2
<i>Electrical, Electronic and Communications Contracting Award 2010</i>	2	2
<i>Labour Market Assistance Industry Award 2010</i>	2	1
<i>Hospitality Industry (General) Award 2010</i>	2	19
<i>Children's Services Award 2010</i>	1	4
<i>Gardening and Landscaping Services Award 2010</i>	1	2
<i>General Retail Industry Award 2010</i>	1	15
<i>Road Transport and Distribution Award 2010</i>	1	3
<i>Supported Employment Services Award 2010</i>	1	1
<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	1	4
<i>Horticulture Award 2010</i>	<1	1
<i>State Government Agencies Administration Award 2010</i>	<1	<1
<i>Pest Control Industry Award 2010</i>	<1	<1
<i>Waste Management Award 2010</i>	<1	<1
<i>Electrical Power Industry Award 2010</i>	<1	<1
<i>Local Government Industry Award 2010</i>	<1	<1
<i>Miscellaneous Award 2010</i>	<1	<1
<i>Pharmacy Industry Award 2010</i>	<1	2
<i>Timber Industry Award 2010</i>	<1	1
<i>Joinery and Building Trades Award 2010</i>	<1	1
<i>Dry Cleaning and Laundry Industry Award 2010</i>	<1	<1
<i>Wine Industry Award 2010</i>	<1	<1
<i>Registered and Licensed Clubs Award 2010</i>	<1	3
National Employment Standard (NES)	<1	<1
Total	100	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6B & Q7. Base = Award-reliant employees, cell percentages, weights by employees (Employee weight C).

Table F.41: Modern awards used to pay award-reliant employees in the Manufacturing industry, percentages by column

	Percentage of award-reliant employees using award	
	Manufacturing	All industries
<i>Manufacturing and Associated Industries and Occupations Award 2010</i>	23	6
<i>Clerks Private Sector Award 2010</i>	15	18
<i>Wine Industry Award 2010</i>	8	<1
<i>Restaurant Industry Award 2010</i>	6	6
<i>Food, Beverage and Tobacco Manufacturing Award 2010</i>	6	2
<i>Meat Industry Award 2010</i>	5	1
<i>Graphic Arts, Printing and Publishing Award 2010</i>	5	1
<i>Joinery and Building Trades Award 2010</i>	4	1
<i>General Retail Industry Award 2010</i>	4	17
<i>Textile, Clothing, Footwear and Associated Industries Award 2010</i>	3	<1
<i>Timber Industry Award 2010</i>	3	1
<i>Road Transport and Distribution Award 2010</i>	3	3
<i>Vehicle Manufacturing, Repair, Services and Retail Award 2010</i>	2	6
<i>Building and Construction General On-site Award 2010</i>	2	4
<i>Storage Services and Wholesale Award 2010</i>	2	3
<i>Road Transport (Long Distance Operations) Award 2010</i>	1	1
<i>Professional Employees Award 2010</i>	1	<1
<i>Hospitality Industry (General) Award 2010</i>	1	23
<i>Journalists Published Media Award 2010</i>	1	1
<i>Seafood Processing Award 2010</i>	1	<1
<i>Horticulture Award 2010</i>	1	1
<i>Electrical, Electronic and Communications Contracting Award 2010</i>	1	2
<i>Plumbing and Fire Sprinklers Award 2010</i>	1	1
<i>Pharmaceutical Industry Award 2010</i>	<1	<1
<i>Concrete Products Award 2010</i>	<1	<1
<i>Premixed Concrete Award 2010</i>	<1	<1
<i>Miscellaneous Award 2010</i>	<1	<1
<i>Commercial Sales Award 2010</i>	<1	<1
Award-based transitional instrument (AN code)	1	<1
National Employment Standard (NES)	1	<1
Don't know	<1	1
Total	100	100

Dataset: CATI dataset A cross-tabulated with detailed award-wages dataset C. Questions: CATI Q6, Q7 & Q15. Online Q2, Q2A, Q3, Q6B & Q7. Base = Award-reliant employees, cell percentages, weights by employees (Employee weight C).

APPENDIX G—Comparison with ABS EEH Estimates

In this appendix, key findings on methods of setting pay in this study are compared with the ABS EEH 2012 survey.⁹⁰ Given the centrality of pay-setting methods of the Award Reliance Survey, and that the ABS EEH data are not fully comparable, comparisons of this study and ABS EEH findings are not made beyond methods of setting pay.

As mentioned in Chapter 2, the approach used to collect data on pay-setting arrangements differs from the approach used in the ABS EEH Survey. In the research design for this project, employers were asked to report on the mix of pay-setting arrangements across all of their employees, where more than one method of pay-setting can be used to set pay in an organisation. In contrast, the EEH Survey asks employers to draw a random sample of employees from payrolls and report on the instrument that applies to these employees. The surveys also differ in terms of the populations covered: the EEH includes the public sector, this study does not.

According to the ABS EEH 2012 Survey, as at May 2012, 17 per cent of employees had their pay set by an award (see Table F.1). The most common method of setting pay for all employees in May 2012 were collective agreements (43 per cent). In addition, two-fifths (40 per cent) of employees had their pay set by individual arrangements.⁹¹

The overall proportion of award reliance in the EEH 2012 survey was 17 per cent. However, a better comparator from the EEH 2012 survey with the Award Reliance Survey methodology would be the private sector, where 19 per cent of employees were award-reliant—the same as this study.

Despite this, the two different survey methodologies (described in Chapter 2) produced quite divergent findings in relation to the overall proportion of employees who had their pay set by enterprise or collective agreements (22 per cent in this study compared with 43 per cent in the EEH 2012 Survey). Related to this, the proportion of employees in this study with other pay-setting arrangements was considerably higher than the proportion in the EEH 2012 Survey who had their pay set by an individual arrangement (59 per cent in this study compared with 40 per cent in the EEH 2012 Survey).

The inclusion of the public sector in the EEH 2012 survey is a factor accounting for this difference. Compared with the public sector, private sector workforces were far less likely to have their pay set through a collective agreement (32 per cent versus 90 per cent), and far more likely to be on individual arrangements (49 per cent versus 4 per cent) (see Table G.1).

Table G.1: ABS EEH survey method of setting pay, all employees by sector, May 2012, percentages by row

	Percentage of workforce by method of setting pay			
	Award only	Collective agreement	Individual arrangement	All methods of setting pay
Private sector	19	32	49	100
Public sector	7	90	4	100
All sectors	17	43	40	100

⁹⁰ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0.

⁹¹ ABS, *Employee Earnings and Hours, Australia, May 2012*, Catalogue No. 6306.0. ABS EEH Survey data were re-calculated to exclude owner managers of incorporated businesses so that a comparison could be made between data from the Award Reliance Survey findings and EEH for employees.

Source: ABS EEH, May 2012, Table 6, re-calculated by excluding ABS category of owner manager of incorporated enterprises.

While noting the difference in sampling design of this research compared with that used to collect the ABS EEH Survey, it was possible to compare the findings in Table 4.2 with data collected via the EEH Survey (presented in Table G.2).

As noted in section 4.1, the overall level of award reliance in this study was very similar to the EEH, with 19 per cent of employees in this study found to be award-reliant compared with 17 per cent in the EEH. However, the two different survey methodologies produced quite divergent findings in relation to the overall proportion of employees who had their pay set by enterprise or collective agreements (22 per cent in this study compared with 43 per cent in the EEH). Related to this, the proportion of employees in this study with other pay-setting arrangements was considerably higher than the proportion in the EEH survey who had their pay set by an individual arrangement (59 per cent in this study compared with 40 per cent in the EEH Survey).

The differing treatment of public sector workers does not fully explain the differences, and the data are considered similar but not entirely comparable.

Table G.2: ABS EEH survey method of setting pay, all employees by industry, May 2012, percentages by row

	Percentage of workforce by method of setting pay			
	Award only	Collective agreement	Individual arrangement	All methods of setting pay
Accommodation and food services	46	24	30	100
Administrative and support services	30	24	47	100
Retail trade	26	43	31	100
Other services	26	9	65	100
Rental, hiring and real estate services	22	11	67	100
Arts and recreation services	20	45	35	100
Health care and social assistance	19	62	19	100
Manufacturing	12	35	53	100
Construction	12	26	63	100
Wholesale trade	9	13	78	100
Transport, postal and warehousing	8	59	34	100
Professional, scientific and technical services	7	9	84	100
Public administration and safety	7	86	7	100
Education and training	7	82	11	100
Information media and telecommunications	6	34	60	100
Finance and insurance services	5	47	48	100
Electricity, gas, water and waste services	4	66	30	100
Mining	1	43	57	100
All industries	17	43	40	100

Source: ABS Catalogue 6306.0, *Employee Earnings and Hours*, Australia, May 2012, Table 4, re-calculated by excluding ABS category of owner manager of incorporated enterprises.

Cognisant again of the difference in sampling methodology between this research and the EEH Survey, it is possible to compare the findings in Table 4.4 with similar data collected in the EEH Survey (Table G.3). According to the research methodology used in the award reliance project, award reliance was highest in Tasmania (28 per cent) and lowest in the Northern Territory (7 per cent). In the EEH Survey, award reliance was highest in South Australia (21 per cent) and lowest in the Australian Capital Territory (10 per cent). Other differences were evident between the findings for this research and the EEH survey findings in terms of the levels of the workforce found to be covered by enterprise or collective agreements and individual arrangements.

Table G.3: ABS EEH method of setting pay, all employees, states and territories, May 2012, percentages by row

	Percentage of workforce by method of setting pay			
	Award only	Collective agreement	Individual arrangement	All methods of setting pay
New South Wales	18	39	44	100
Victoria	15	44	41	100
Queensland	19	45	37	100
South Australia	21	44	35	100
Western Australia	12	46	42	100
Tasmania	20	52	28	100
Northern Territory	11	57	32	100
Australian Capital Territory	10	62	28	100
Australia	17	43	40	100

Source: ABS Catalogue 6306.0, *Employee Earnings and Hours*, Australia, May 2012, Table 5, re-calculated excluding ABS category of owner manager of incorporated enterprises.

As the ABS EEH Survey groups employers into different size categories than this study, it is more difficult to make a comparison of findings with Table 4.3.⁹² It would be possible to re-group the organisation size variable in our data according to the five categories used by the ABS, however the stratification of sampling and corresponding weights were based on four categories. It is not possible to make a comparison by location using Table 4.5 as this breakdown is omitted from the EEH.

⁹²See Table 7 in ABS EEH, May 2012 for a breakdown of methods of pay-setting by employer size for May 2012. The EEH reports methods of setting pay for five categories for employer size: under 20 employees, 20 to 49 employees, 50 to 99 employees, 100 to 999 employees and 1000 or more employees.

 APPENDIX H—Survey Questionnaires

Award Reliance CATI QUESTIONNAIRE
(FWC approved, SCH approved,
29/01/2013)

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INTRODUCTION

Verbal Participation Information Statement.

Hello. My name is <Interviewer name>. I'm calling from ORC International to conduct a survey on behalf of the Fair Work Commission (formerly Fair Work Australia). **May I please speak with the Head of your Human Resource Department, or someone else who makes decisions about how wages are set in your organisation?**

INTERVIEWER NOTE: The survey is about employment matters and how DECISIONS are made. The respondent must have a level of seniority and involvement in employment matters to speak on behalf of the organisation. The payroll manager is NOT the appropriate person for this interview, but keep in mind that they may be the best person to complete the online follow up survey.

Yes, person available → CONTINUE

Person not available right now → MAKE APPOINTMENT - record details

Refusal outright (appropriate manager details not provided)

Not a business

Business has no employees

Other ...

INTRO 1: REINTRODUCE AS NECESSARY

Hello, I'm <Interviewer name> from ORC International.

We're conducting a survey on behalf of the Fair Work Commission (formerly Fair Work Australia). It's about the use and relevance of award wages and minimum wage adjustments made by the Fair Work Commission.

This survey does NOT seek to identify compliance with workplace laws. The survey will inform analysis of Fair Work Commission decisions and the use of industrial instruments.

Your organisation has been randomly chosen from the Dun and Bradstreet register of businesses operating in Australia. Your organisation's participation in this survey is very important so we can be confident that the survey represents all employers in Australia. Participation is voluntary and you may withdraw at any time or refuse to answer particular questions. All information you provide is confidential.

Interviews will take about 20 minutes to complete. It depends on your organisation's experience with awards..

May I go ahead with the survey now?

Yes→CONTINUE

Not convenient now→MAKE APPOINTMENT – record details

Refused participation →END

This call may be monitored by my supervisor for quality control or coaching purposes. If you do not want this call monitored please let me know. *<Call will not be monitored if respondent objects>*.

IF NECESSARY: The information we collect is confidential and will only be used for the purposes of this study. No identifiable information about your organisation will be provided to the Fair Work Commission. All your answers will be combined with those from other organisations for reporting purposes. I work for ORC International and they have been contracted to conduct the telephone interviews for this study. We comply with privacy principles under the Association of Market and Social Research Organisations.

IF NECESSARY: "This survey has been approved by the Australian Government Statistical Clearing House. The approval number is **02291 -- 01**. You may phone the Statistical Clearing House on (02) 6252 5285 to verify the approval number."

IF NECESSARY: You can contact the Minimum Wages Research Team at the Fair Work Commission on (03) 8661 7014. If you have queries about employment conditions and wages you can contact the Fair Work Infoline, which is operated by the Fair Work Ombudsman, on 13 13 94.

MODULE 1 BACKGROUND

Q1 [TARGET RESPONDENT]

INTERVIEWER NOTE: THE PAYROLL MANAGER IS **NOT** THE APPROPRIATE RESPONDENT FOR THIS INTERVIEW, BUT KEEP IN MIND THAT THEY MAY BE THE BEST PERSON TO FILL IN THE ONLINE FOLLOW UP SURVEY.

Firstly, can I just confirm that you are able to speak on behalf of your organisation about workforce management, including how wages are set?

Yes → CONTINUE

No, another person would be more appropriate → I would like to speak with someone who can speak on behalf of your organisation about workforce management and wage-setting.

ASK TO BE TRANSFERRED TO THIS PERSON. BEFORE BEING TRANSFERRED, TRY TO OBTAIN THEIR NAME, POSITION TITLE AND DIRECT TELEPHONE NUMBER IF POSSIBLE.

Don't know → Can I please speak with a senior manager in the organisation, for example the general manager, business manager, managing director or their assistant?

Refused → **End survey**

Q2 [RESPONDENT ROLE]

Can you please tell me your job title?

Human Resource Manager

Industrial Relations Manager

General Manager/Business Manager

Owner

Other (specify)

Refused → **END SURVEY**

Q3 [SECTOR]

Which one of the following categories best describes your [business/organisation]?

A private sector business → CONTINUE [Refer to BUSINESS in survey questions]

Local government (includes shire councils) → CONTINUE [Refer to ORGANISATION in survey questions]

Not-for-Profit (NFP) or Non-Government Organisation (NGO) → CONTINUE [Refer to ORGANISATION in survey questions]

Federal government (including Federal or Territory government-owned business or enterprise) → **END SURVEY**

State government (including State government-owned business or enterprise) → **END SURVEY**

Don't know → **END SURVEY**

Refused → **END SURVEY**

Q4 [FWA COVERAGE]

Is your [business/organisation] covered by the Federal Fair Work Act?

Prompt: By this we mean whether your organisation comes under the national system of workplace laws.

Yes → GO TO Q6[INDUSTRY CHECK]

No → GO TO Q[INCORPORATED]

Don't know → GO TO Q[INCORPORATED]

Refused → **END SURVEY**

Q5 [INCORPORATED]

Is your [business/organisation] incorporated – there is limited liability?

Yes, it is incorporated/limited liability → CONTINUE TO Q6[INDUSTRY CHECK]

No, it is unincorporated → **CHECK AT LOCATION**

Don't know → **END SURVEY**

Refused → **END SURVEY**

Q6 [INDUSTRY CHECK]

ROUTING INSTRUCTION: PROGRAM 4 DIGIT ANZSIC CODE

I understand that the main industry in which this [business/organisation] operates in is [INSERT FROM DATABASE]. Is that correct?

Yes – SKIP TO Q8[ORGANISATION SIZE]

No – GO TO NEXT QUESTION

Don't know – GO TO NEXT QUESTION

Refused – **END SURVEY**

Q7 [INDUSTRY]

ASK if incorrect industry division on sample frame

Please describe the main activity of the [business/organisation]?

IF NECESSARY: What is the main activity from which the [business/organisation] derives its income?

For example, road freight transport, footwear retailing, child care services, motor vehicle repairs.

Note for interviewers:

- Open-ended
- Describe as fully as possible, using two words or more
- Fully probe: manufacturing, processing, distributing, etc and main goods produced, materials used, wholesale or retail, etc
- For example, wheat and sheep, bus charter health insurance, primary school education, civil engineering consultancy service, house building, steel pipes

Q8 [ORGANISATION SIZE]

In total, how many people are currently employed by the [business/organisation]?

Prompt: In Australia. Across all sites and locations.

Prompt: This estimate should include all persons who are paid employees: employees working full-time and part-time, on a permanent, casual and fixed term contract basis. Please do not include consultants and contractors who are paid a fee for service, agency workers, unpaid family or volunteers.

SIX DIGIT NUMERIC RESPONSE

Don't know → END SURVEY

Refused → END SURVEY

PROGRAMMING INSTRUCTION: CREATE NUMERIC VARIABLE [ORGANISATION SIZE N]

Q9 [MULTI SITE]

Does your [business/organisation] operate from more than one location or site in Australia?

Yes → SKIP TO Q[LOCATION SHARE]

No → CONTINUE [LOCATION]

Refused → END SURVEY

Q10 [LOCATION]

In which state or territory is your [business/organisation] located?

NSW

ACT

VICTORIA

SOUTH AUSTRALIA

WESTERN AUSTRALIA → IF UNINCORPORATED END SURVEY, ELSE CONTINUE

QUEENSLAND

TASMANIA

NORTHERN TERRITORY

Don't know → END SURVEY

Refused → END SURVEY

GO TO Q11[REGION]

Q11 [REGION]

Is the [business/organisation] located in a metropolitan or regional area?

IF NECESSARY: By 'metropolitan', we mean a densely populated city or town and its surrounding suburbs. Regional/rural refers to all non-metropolitan areas.

METROPOLITAN

REGIONAL/RURAL

BOTH METROPOLITAN AND REGIONAL/RURAL

Don't know

Refused → END SURVEY

GO TO MODULE 2

Q12 [LOCATION SHARE]

In which state or territory does your [business/organisation] employ the largest number of employees?

NSW

ACT

VICTORIA

SOUTH AUSTRALIA

WESTERN AUSTRALIA

QUEENSLAND

TASMANIA

NORTHERN TERRITORY

Don't know

Refused→ **END SURVEY**

GO TO Q13[REGION SHARE]

Q13 [REGION SHARE]

Is the largest share of the [business/organisation]'s employees working in metropolitan or regional areas?

METROPOLITAN

REGIONAL/RURAL

EQUAL SHARE BETWEEN METRO AND REGIONAL AREAS

Don't know

Refused→ **END SURVEY**

GO TO MODULE 2

MODULE 2 PAY SETTING MECHANISMS

INTRODUCTION

I now have some questions about how **pay** is set for employees in your [business/organisation].

We would like to know about the mix of pay-setting arrangements used by your [business/organisation] in terms of how many employees have their **pay** set under each arrangement. The three types of arrangements we are looking at are enterprise agreements, individual arrangements and award rates.

IF NECESSARY: An enterprise agreement sets pay rates for a workplace or enterprise and is typically negotiated between an employer and a group of employees. An award provides the minimum terms and conditions of employment –including pay rates – for a particular industry or occupational group. An individual arrangement to pay award rates of pay, or over the award level, is determined by the employer, perhaps through negotiation with individual employees.

Q14 [INSTRUMENTS]

Do any of your employees currently have their pay set by...?

INTERVIEWER: FOR EACH YES (ARRANGEMENT USED) BELOW, ASK 'HOW MANY EMPLOYEES, OR WHAT PROPORTION OF YOUR WORKFORCE, HAVE THEIR PAY SET BY A [NAME OF ARRANGEMENT]?'

PLEASE MAKE SURE THERE IS NO DOUBLE COUNTING. IF EMPLOYEES ARE COVERED BY MORE THAN ONE ARRANGEMENT, TAKE THE FIRST ONE (e.g. IF A and B, COUNT IN A, IF B and C, COUNT IN B):

		If yes, #/% employees	Routing instruction
<p>A. An enterprise agreement (EBA, collective agreement)</p> <ul style="list-style-type: none"> IF NECESSARY: An enterprise agreement is an agreement negotiated at the workplace or business level by an employer with a group of their employees, with or without union involvement. 	Y/N		<p>IF YES, CONTINUE</p> <p>IF NO, GO TO B.</p>
<p>(i) If yes to EA, is that a registered enterprise agreement or an unregistered agreement?</p> <ul style="list-style-type: none"> IF NECESSARY: A registered enterprise agreement is lodged with Fair Work Commission (formerly Fair Work Australia) and approved. An unregistered enterprise 	<p>Registered enterprise agreement</p> <p>Y/N</p>	#/%	

agreement would not have been lodged and approved e.g. an informal pay-setting arrangement that applies to a group of employees at a workplace.			
(ii) Unregistered agreement	Unregistered Agreement Y/N	#/%	
B. An Award IF NECESSARY: An award contains the minimum conditions of employment – including pay rates - that apply to employees in particular industries or occupational groups.	Y/N	#/%	
C. An individual arrangement (e.g. AWA, ITEA, common law contract) <ul style="list-style-type: none"> IF NECESSARY: Individual arrangements may include both 'above award' and 'award' rates of pay. IF NECESSARY: An individual agreement is an agreement between a business/organisation and a single employee. It may also be called a common law contract. 	Y/N	#/%	
Don't know to all			PROMPT TO FIND WHO ELSE MIGHT BE ABLE TO ANSWER THIS QUESTION. IF NO ONE END SURVEY. IF GIVEN ANOTHER CONTACT PERSON, ASK TO BE TRANSFERRED AND RE-START SURVEY (CHECK PREVIOUS ANSWERS).

Refused			END SURVEY

ROUTING INSTRUCTION: IF YES AT Q14B OR Q14C ABOVE, ASK Q15. ELSE GO TO Q16.

Q15 [AWARD RELIANT N]

I now have some further questions about the employees in your [business/organisation] who have their **pay arrangements set by an award**.

We are interested to know how many employees have their pay set **at exactly the applicable rate specified in an award**.

We are also interested to know about the employees who have their **wage** set under the terms of the award, such as employees who receive an **annualised salary** and employees who receive allowances and loadings to their award pay rate under the provisions of the award.

IF NECESSARY: Please include:

- Employees who have their pay set by **transitional minimum wage arrangements** in Modern Awards.
- **Juniors, trainees, apprentices and employees under the Supported Wage System** whose pay rate is set under the terms of the award as a proportion of the applicable rate in the award wage schedule.
- **Employees on an individual arrangement but whose pay is set at exactly the applicable award rate.**

IF NECESSARY: Please do not include:

- Employees who have some or all of their conditions of employment set by an award, **but** are paid an amount 'over' or 'above' the applicable award rate.
- Employees who have their pay set under a registered enterprise agreement – even if it's the same as the award rate.

From now on, I'll use the term 'award reliant' to describe this group of employees who have their wage set under an award and are paid at exactly the award rate.

How many employees in the [business/organisation] are award-reliant?

[# Award Reliant N employees]

IF NECESSARY: What would be your best estimate?

ROUTING INSTRUCTION: IF [AWARD RELIANT N] = 0, GO TO Q17[WHY PAY ABOVE AWARD]

PROGRAMMING INSTRUCTION: CREATE VARIABLE [OTHER EMPLOYEES N] = [ORGANISATION SIZE N MINUS AWARD RELIANT N].

Q16A [AWARD NUMBER]

How many awards are used by your [business/organisation] to set wages for those [Q15[AWARD RELIANT N] #/%] award- reliant employees?

1 → CONTINUE to Q16B [AWARD NAMES]

2 → CONTINUE to Q16B [AWARD NAMES]

3 → CONTINUE to Q16B [AWARD NAMES]

More than 3 → CONTINUE to Q16B [AWARD NAMES]

Don't know → PROMPT TO FIND WHO ELSE MIGHT BE ABLE TO ANSWER THIS QUESTION. IF NO ONE END SURVEY. IF GIVEN ANOTHER CONTACT PERSON, ASK TO BE TRANSFERRED AND RE-START SURVEY (CHECK PREVIOUS ANSWERS).

Refused → END SURVEY

Q16B [AWARD NAMES]

ROUTING INSTRUCTION: IF UP TO THREE AWARDS ASK:

What are the names of the awards used by your [business/organisation] to set wages for those award-reliant employees?

ROUTING INSTRUCTION: IF FOUR OR MORE AWARDS ASK: Please list the top 3 awards on the basis of awards that have the highest number of employees paid at exactly the applicable award rate.

INTERVIEWER NOTE: COLLECT NAMES OF UP TO THREE AWARDS.

Interviewer note: If the respondent does not know the exact name of each of the awards, type in as much detail as possible for each award.

[LINK TO MODERN AWARD LIST WITH SEARCH FIELD]

- a. [enter name of award]
- b. [enter name of award]
- c. [enter name of award]

•

Don't know → PROMPT TO FIND WHO ELSE MIGHT BE ABLE TO ANSWER THIS QUESTION. IF NO ONE **END SURVEY**. IF GIVEN ANOTHER CONTACT PERSON, ASK TO BE TRANSFERRED AND CONTINUE SURVEY .

Refused → **END SURVEY**

PROGRAMMING INSTRUCTIONS:

IF ONE AWARD ONLY AT Q16A AND LESS THAN 20 EMPLOYEES AT Q8[ORGANISATION SIZE] AND AWARD RELIANT N AT Q15, ROUTE THROUGH Q16C AND Q16D. ELSE GO TO Q17

Q16C [AWARD RELIANT PROFILE]

I'm now going to ask you about the profile of your [INSERT Q15 AWARD RELIANT N] 'award-reliant' employees.

INTERVIEWER NOTE: Please ask the respondent to provide the details for the table for their 'award-reliant' workforce. If there is more than one classification structure in the award, a separate table is completed for each classification structure.

Full-time/part-time is determined by USUAL hours worked by the employees –35 hours per week or less. Permanent/casual is determined by whether the employees have paid leave entitlements. Count fixed term contract as permanent if the employees have paid leave entitlements.

PROGRAMMER INSTRUCTIONS: INSERT [Q15 AWARD RELIANT N] 'award-reliant' employees to appear on screen for Interviewer as a reducing balance. INSERT [AWARD CLASSIFICATION NAME/s] for [Q16B AWARD NAME]. IF MORE THAN ONE AWARD CLASSIFICATION, BELOW TABLE SHOULD APPEAR FOR EACH SEPARATE CLASSIFICATION.

Total: [X] 'award-reliant' employees

Award: [Award name]

Award classification: [Award classification]

	FEMALE				MALE			
	Permanent		Casual		Permanent		Casual	
	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)
Juniors								
Trainees								
Apprentices								
Supported Wage system								
Pay range 1								

Pay range 2								
Pay range 3								
Pay range 4								
Pay range 5								
Pay range 6								
Pay range 7								

Total	
-------	--

Remainder	
-----------	--

PROGRAMMING INSTRUCTION: REPEAT ABOVE TABLE IF MORE THAN ONE CLASSIFICATION STRUCTURE IN AWARD.

Q16D [AR PROFESSIONALS]

PROGRAMMING INSTRUCTION: IF Q16B [AWARD NAME] = OTHER OR DON'T KNOW ASK BELOW. ELSE, SKIP TO Q16E.

How many of your 'award-reliant' employees are employed in positions that require tertiary/university qualifications or highly specialised knowledge or skills. For example, positions such as accountants, pharmacists, engineers, registered nurses, social workers, teachers.

IF NECESSARY: Do not count employees who have tertiary qualifications but do not require the qualification to perform their role. Do not count skilled tradespersons and technicians who have vocational qualifications.

None

[n]

[%]

Don't know

Refused

Q16E [WORKFORCE PROFILE]

I'm now going to ask you about the profile of your whole workforce — the [INSERT Q8 ORGANISATION SIZE] employees.

IF NECESSARY: This estimate should include all persons who are paid employees: employees working full-time and part-time, on a permanent, casual or fixed term contract basis. Please do not include consultants and contractors that are paid a fee for service, agency workers, unpaid family or volunteers.

INTERVIEWER NOTE: Please ask the respondent to provide the details for the table for their whole workforce. Full-time/part-time is determined by USUAL hours worked by the employees –35 hours per week or less. Permanent/casual is determined by whether the employees have paid leave entitlements. Count fixed term contract as permanent if the employees have paid leave entitlements.

PROGRAMMER INSTRUCTION: [INSERT Q8 ORGANISATION SIZE N] employees to appear on screen for Interviewer as a reducing balance.

	FEMALE				MALE			
	Permanent		Casual		Permanent		Casual	
	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)
Number of employees								

Total	
-------	--

Q17 [WHY PAY AWARD RATES]

ROUTING INSTRUCTION: SKIP QUESTION Q17 IF [AWARD RELIANT N = 0]

ROUTING INSTRUCTION: ASK ONLY Q17B, AND SKIP Q17A QUESTIONS, IF [OTHER EMPLOYEES N = 0]

I am now going to ask you some questions about why your [business/organisation] uses the pay setting arrangement(s) that you mentioned earlier.

A. Firstly, are there any particular types of employees in your [business/organisation] who are award reliant?

-
- IF NECESSARY: Do most or all of your 'award- reliant' employees share certain characteristics or employment arrangements, such as the number of hours they work, their skill level, the duties they perform, the site they work at?

INTERVIEWER INSTRUCTION: PROBE FOR TYPES/CHARACTERISTICS OF AWARD-RELIANT EMPLOYEES. MULTIPLE RESPONSES ACCEPTED.

[enter verbatim]

No

Don't know

Refused

Suggested pre-codes for interviewers:

- Casuals (i.e. employees who don't have paid leave entitlements)
- Part-time hours (less than 35 hours per week)
- Under 21 yrs (i.e. junior employees)
- Apprentices/trainees
- Everyone except for managers
- Particular roles/jobs or occupational groups (specify)
- Employees in their probationary period/new recruits
- Employees at particular worksites
- Labour hire staff placed in clients' workplaces on a temporary basis

B. Why does your [business/organisation] set pay rates for employees at exactly the applicable rate specified in an award?

INTERVIEWER INSTRUCTION: PROBE FOR MULTIPLE REASONS AND PROBE TO CLARIFY MEANING (IF APPLICABLE).

[enter verbatim]

No

Don't know

Refused

Pre-codes for interviewers:

- Affordability (i.e. award rates are what the business/organisation can afford)
- Client/funding body requirement or direction to pay award rates
- Don't want to pay more (i.e. choice not to pay more than the legal requirement)
- Award rates are appropriate/fair remuneration
- Equity/fairness/transparency of wage-setting arrangements across the workforce
- Ease/simplicity/unsure how much to pay above the award rate
- Advice from employer association to pay the award rates and not higher
- Common practice in the industry/sector
- Business/organisation prefers to provide 'non-wage' benefits i.e. bonuses, incentives, perks

ROUTING INSTRUCTION: SKIP QUESTION Q18 IF [OTHER EMPLOYEES N = 0]

ROUTING INSTRUCTION: IF Q14A (i) (REGISTERED ENTERPRISE AGREEMENT) = YES, ASK Q18, ELSE GO TO Q19:

Q18 [WHY PAY ABOVE AWARD RATES – REGISTERED EA]

I'd now like to ask some questions about the employees whose pay is set by a registered enterprise agreement (i.e. an agreement lodged with the Fair Work Commission and approved).

Why does your [business/organisation] set pay rates under an enterprise agreement for those employees?

IF NECESSARY: How does the [business/organisation] benefit from setting pay rates for those employees under an enterprise agreement rather than by an award?

INTERVIEWER INSTRUCTION: PROBE FOR THE REASONS/MOTIVATIONS FOR SETTING PAY UNDER AN ENTERPRISE AGREEMENT. PROBE FOR MULTIPLE REASONS (IF APPLICABLE).

[enter verbatim]

No

Don't know

Refused

Pre-codes for interviewers:

- Historical reasons (i.e. it's been done this way for a while)
- Prefer to negotiate directly with our employees (than follow amounts determined by Fair Work Commission)
- Want to reward employees with higher wage than award rates
- Applicable award wages are not competitive for attracting and retaining workers in our **industry/sector**
- Applicable award wages are not competitive for attracting and retaining workers in our **local area**
- Award terms and conditions not suitable or flexible enough for the business/organisation (e.g. allowances, penalty rates, hours of work, overtime rates, etc.)
- For payroll and/or rostering convenience
- Some employees/jobs performed are not covered by an award ('award-free')
- Head office/franchisor requirement (i.e. no choice of wage-setting practice)
- Client/funding body requirement
-

ROUTING INSTRUCTION: SKIP QUESTION Q19 IF [OTHER EMPLOYEES N = 0] IF EA ONLY THEN END SURVEY.

ROUTING INSTRUCTION: ASK Q19 IF HAS OVER-AWARD UNREGISTERED ENTERPRISE AGREEMENT AND/OR INDIVIDUAL ARRANGEMENTS.

Q19 [WHY PAY ABOVE AWARD RATES - OTHERS]

I'd now like to ask you about the employees who have their pay set 'above' or 'over' the applicable award rate. **ROUTING INSTRUCTION: IF ASKED Q18 INSERT TEXT "other than those whose pay is set under a registered enterprise agreement".**

Why does your [business/organisation] set wages above the applicable award rate for these employees?

IF NECESSARY: How does the [business/organisation] benefit from setting pay rates for those employees above the applicable award rate?

IF NECESSARY: I'm referring to the employees who have their pay set by an [unregistered enterprise agreement] [and/or] [individual arrangement].

INTERVIEWER PROBE FOR THE REASONS/MOTIVATIONS FOR PAYING ABOVE THE APPLICABLE AWARD RATES OF PAY. PROBE FOR MULTIPLE REASONS (IF APPLICABLE).

[enter verbatim]

No

Don't know

Refused

Pre-codes for interviewers:

- Historical reasons (i.e. it's been done this way for a while)
- Prefer to negotiate directly with our employees (than follow amounts determined by Fair Work Commission)
- Want to reward employees with higher wage than award rates
- Applicable award wages are not competitive for attracting and retaining workers in our **industry/sector**
- Applicable award wages are not competitive for attracting and retaining workers in our **local area**
- Award terms and conditions not suitable or flexible enough for the business/organisation (e.g. allowances, penalty rates, hours of work, overtime rates, etc.)
- For payroll and/or rostering convenience
- Some employees/jobs performed are not covered by an award ('award-free')
- Head office/franchisor requirement (i.e. no choice of wage-setting practice)
- Client/funding body requirement

ROUTING INSTRUCTION: IF [AWARD RELIANT N = 0] THEN END SURVEY

Q20 [PROGRESSION]**ROUTING INSTRUCTION: SKIP QUESTION IF [OTHER EMPLOYEES N =0]****Can you please tell me the reasons or circumstances that your [business/organisation] would change the wage-setting arrangement of an award-reliant employee to an above award rate of pay?****IF NECESSARY: Under what circumstances would the [business/organisation] begin setting the pay rates of an award-reliant employee above the applicable award rate?****INTERVIEWER PROBE FOR CIRCUMSTANCES UNDER WHICH EMPLOYEES PROGRESS TO ABOVE AWARD RATES OF PAY. PROBE FOR MULTIPLE REASONS (IF APPLICABLE).**

[Enter verbatim]

No

Don't know

Refused

Pre-codes for interviewers:

- If they negotiate a higher rate of pay (for performing the same role)
- If their personal circumstances require them to have a higher pay
- To reward performance/achievement/effort in performing their role
- If/when employee takes on additional responsibilities/higher duties in performing their role
- To retain good employees/reward loyalty
- If/when additional qualifications are gained
- If/when new or additional skills are acquired
- When probationary period ends
- After completion of apprenticeship/traineeship
- If/when they have a senior role that is not covered in the award classification structure
- If/when they change roles in the business/organisation (i.e. a role that is not an award reliant role)

Q21 [ADJUST]

ROUTING INSTRUCTION: SKIP QUESTION IF [OTHER EMPLOYEES N =0]

The last annual increase to minimum wages –including award rates of pay – took effect in July 2012. The increase was 2.9%.

Earlier you mentioned that [OTHER EMPLOYEES N] employees are paid above or over the applicable award rate.

Approximately how many or what proportion, of those [OTHER EMPLOYEES N] employees who are paid above the applicable award rate did your [business/organisation] apply that 2.9% pay increase to?

IF NECESSARY: I'm referring to the employees who have their pay set by an [unregistered enterprise agreement] [if both: and] [individual arrangement] above the applicable award rate?

All

None

[x]

[%]

Don't know

Refused

Q22 [WHY ADJUST]

ROUTING INSTRUCTION: SKIP IF Q21 ADJUST] = 0

Why did your [business/organisation] apply the 2.9% minimum wage increase to these employees who are paid above the applicable award rate?

INTERVIEWER PROBE FOR CIRCUMSTANCES UNDER WHICH EMPLOYERS APPLY 2.9% MINIMUM WAGE INCREASE TO OTHER EMPLOYEES. PROBE FOR MULTIPLE REASONS (IF APPLICABLE).

[Enter verbatim]

No

Don't know

Refused

Pre-codes for interviewers:

- To be consistent (same increase applied to all staff)
- Convenience /co-insides with annual budgeting/easy to implement
- To maintain the difference between award reliant employee wages and employees paid over-award rates
- Had to – the increased award rates of pay were higher than the over-award amounts we were paying

MODULE 3 BUSINESS METRICS

And to finish, I have some questions about the operations of your [business/organisation]...

Q23 [YEARS OF OPERATION]

How many years has the [business/organisation] been in operation under its current ownership?

Less than 1 year

1 to less than 2 years

2 to less than 5 years

More than 5 years

Don't know

Refused

GO TO NEXT QUESTION

Q24 [OPERATING HOURS]

What are the hours of operation of the [business/enterprise]? Are they Monday to Friday only, or weekends too?

Prompt: Does the business/organisation operate for more or less than 50 hours per week?

Monday to Friday: Up to 50 hours per week

Monday to Friday: More than 50 hours per week, Monday to Friday

Mondays to Fridays, plus weekends: Up to 50 hours per week

Mondays to Fridays, plus weekends: More than 50 hours per week

Don't know

Refused

Q25 [MARKETS]

Does the [business/organisation] as a whole operate in the local area only, or does it only operate outside of the local area (such as intra or inter-state or internationally) or both?

Local only (immediate area, town or city in which the business/organisation is located)

Outside local area only (intra-state, inter-state and/or internationally)

Both locally and outside the local area

Don't know

Refused

Q26 [REVENUE STREAM]

SKIP IF Q23 [YEARS OF OPERATION < 1YR]

Was the main source of revenue or funding for your [business/organisation] in the 2011–12 financial year from the general public or from businesses and organisations?

If Businesses/organisations: Was it small and medium sized enterprises, larger enterprises or government organisations?

The general public – consumers

Small or medium sized businesses or organisations

Large businesses or organisations

Government organisations

Don't know

Refused

Q27 [PROFITABILITY]

SKIP IF Q23 [YEARS OF OPERATION] < 1YR.

In the last financial year (i.e. 2011-12), did your [business/organisation] in Australia, make a gross profit or surplus?

YES

NO, LOSS OR DEFICIT

Don't know

Refused

Did not operate in the preceding financial year (2010-11)

Q28 [LABOUR COSTS]

Approximately what proportion of your [business/organisation]'s annual total operating expenses do labour costs currently represent?

[%]

Don't know

Refused

Q29 [WORKFORCE EXPANSION]

ROUTING INSTRUCTION: SKIP IF Q23 < 1 YR

Has your employee workforce increased, reduced or stayed the same compared with this time last year?

Increased

Reduced

Stayed the same

Don't know

Refused

Q30 [LABOUR MARKET CONDITIONS]

Would you say there is currently an adequate supply of employees in your [business/organisation], or is there a shortage?

Adequate supply → SKIP TO Q32

Shortage → CONTINUE

Don't know → SKIP TO Q32

Refused → SKIP TO Q32

Q31 [LABOUR SHORTAGE]

What skill level of workers is the [business/organisation] experiencing a shortage of?

All levels

Skilled

Lower/unskilled (i.e. entry-level)

Don't know

Refused

IF ONLINE CATI COMPLETED IN FULL (i.e. Q16C, Q16D and Q16E) GO TO THANK YOU AND CLOSE. ELSE, CONTINUE.

Q32 [PARTICIPATION ONLINE]

Thank you very much for your participation in the Award Reliance Survey. Your participation has been very important.

The Fair Work Commission is particularly interested in learning more about the characteristics of your award-reliant employees through a short online survey. A secure link to the survey can be sent via email and it can be completed at a convenient time. It should only take about 10 minutes to do. Since the questions relate to the award structure and pay ranges within awards, someone from your payroll department might be the best person to complete the survey.

Would you, or another representative from your [business/organisation], be willing to fill in the short online survey about your award reliant employees and some summary information about your workforce?

The information will be treated in complete confidence, and the results will be completely anonymous.

If you are prepared to take part, I will send you a password-protected email link to the survey.

Yes **Continue**

No **This research is very important and the online survey will only take about 10 minutes to complete. Would you be able to find 10 minutes over the next couple of weeks to help us with this second stage? The information collected is confidential and will only be used for the purposes of this study.**

Yes → Continue

No → End

Interviewer Instructions: Collect target respondent's details or details of another person, if better able to respond.

Send an email → Collect target respondent's details

Name of CATI respondent (include surname if possible):

Email address:

If another person is better able to respond, enter details:

(Ask if they can mention to the respondent that we will be sending them the survey)

Name:

Email address:

Read out:

Once you receive the email, you can click on the link to complete the survey yourself or you can forward it on to another person in your organisation, such as your payroll manager or accounts officer.

If you or another person begin the survey and you want to continue it at a later time or forward it to another person in your organisation, please wait 10 minutes before the survey link is accessed again. The information you have already entered will be automatically saved.

(Thank and close)

THANK YOU AND CLOSE

ROUTING INSTRUCTIONS: Script below to appear on screen for interviewer to read at all exit points to the survey.

INTERVIEWER READ OUT THE FOLLOWING:

Thank you very much for your participation in the Award Reliance survey.

Your participation has been very important.

Just to remind you, I'm calling from ORC International.

This survey was conducted in accordance with the Privacy Act.

As this is market research, it is carried out in compliance with the Australian Market & Social Research Society Privacy Principles and the information provided will only be used for research purposes. Should you require verification of our company's bona fides, or have any queries, please feel free to contact the Australian Market & Social Research Society's Survey Line on 1300 364 830. For quality control purposes, you may be re-contacted to verify some information. We will remove your contact details when all interviewing is completed.

Thanks again. Just in case you missed it, my name is [interviewer name] and I'm calling from ORC International and our telephone number is (03) 9935 5788.

Should you have any concerns regarding the handling and/or storage of the information you have supplied to us, please contact the Privacy Officer at:
privacyofficer@orcinternational.com.au.

(IF NECESSARY)

You can contact the Minimum Wages Team at the Fair Work Commission (formerly Fair Work Australia) on (03) 8661 7032. If you have queries about employment conditions and wages you can contact the Fair Work Infoline, which is operated by the Fair Work Ombudsman, on 13 13 94.

Award Reliance Industrial Instruments Questionnaire
ONLINE SEGMENT
(FWC approved, SCH approved, 29/01/2013)

SCREEN 1

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Australian Government Statistical Clearing House Approval Number 02291 -- 01.

This online questionnaire follows on from the telephone interview that you or a representative from your [\[business/organisation\]](#) kindly completed as part of a research project funded by the Fair Work Commission (formerly Fair Work Australia).

The study is about the use and relevance of award wages and minimum wage adjustments made by the Fair Work Commission. This online questionnaire has been tailored to the responses provided in the telephone survey for your [\[business/organisation\]](#).

Q1. Did you complete the telephone survey on behalf of your [\[business/organisation\]](#)?

Yes → [Use term 'you' throughout](#)

No → [Use term 'a representative from your business/organisation' throughout](#)

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SCREEN 2

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q2. During the telephone interview, [\[you/a representative from your business/organisation\]](#) estimated that your [\[business/organisation\]](#) had a total of [\[X\]](#) employees.

Is this the number of employees that are currently employed directly by the [\[business/organisation\]](#)?

Please include all persons who are paid employees: employees working full-time and part-time, on a permanent, casual or fixed term contract basis. Please do not include consultants and contractors that are paid a fee for service, agency workers, unpaid family or volunteers.

If your [\[business/organisation\]](#) is a labour hire agency, temp agency or employment agency, please count all employees who have their wages paid directly to them by your agency.

Yes → [GO TO SCREEN 3](#)

No → [GO TO SCREEN 2A](#)

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SCREEN 2A

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q2A. How many employees in total does your [business/organisation] currently have?

Please include all persons who are paid employees: employees working full-time and part-time, on a permanent, casual or fixed term contract basis. Please do not include consultants and contractors that are paid a fee for service, agency workers, unpaid family or volunteers.

If your [business/organization] is a labour hire agency, temp agency or employment agency, please count all employees who have their wages paid directly to them by your agency.

[ENTER X] → [GO TO SCREEN 3](#)

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SCREEN 3**FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO**

Q3. Please fill in this table for all of your [x] employees.

Please note that you do not need to enter a number into every field. Fields that are left blank will automatically register as zeros.

	FEMALE				MALE			
	Permanent		Casual		Permanent		Casual	
	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)
Number of employees								

Total	
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ROUTING INSTRUCTIONS: IF TOTAL NUMBER OF EMPLOYEES AT SCREEN 2 DOES NOT EQUAL TOTAL FOR TABLE AT SCREEN 3 → GO TO SCREEN 3A. IF TOTAL NUMBER OF EMPLOYEES AT SCREEN 2 = TOTAL IN TABLE AT SCREEN 3 → GO TO SCREEN 4

SCREEN 3A

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q3A. The total number of employees recorded in the table ([Q3 n] employees) does not sum to the total number of employees that was recorded at the previous question ([Q2/Q2a n] employees).

You may amend the numbers entered in the table or update the total number of employees in your [business/organisation].

Amend numbers entered in table

Update total number of employees

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SCREEN 4**FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO**

The following questions are about the 'award reliant' employees in the [business/organisation]. That is, those who have their pay set under an arrangement to pay exactly the applicable rate specified in an award.

You may wish to print this definition for reference during the survey.

In answering this, please include employees who have their **wage** set under the terms of the award, such as employees who receive an **annualised salary** and employees who receive allowances and loadings to their applicable rate under the provisions of the award.

Please include:

- Employees who have their pay set by **transitional minimum wage arrangements** in modern awards.
- **Juniors, trainees, apprentices and employees under the Supported Wage System** whose pay rate is set under the terms of the award as a proportion of the applicable rate in the award wage schedule.

Please do not include:

- Employees who have some or all of their conditions of employment set by an award, **but** are paid an amount 'over' or 'above' the applicable rate that's **determined by the [business/organisation]**.
- Employees who have their pay set under a registered enterprise agreement – even if it's the same as the award rate.

From now on the term 'award reliant' will be used to describe this group of employees who have their wage set under an award.

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SCREEN 5

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q4. During the telephone interview, [you/ a representative from your business/organisation] estimated that your [business/organisation] has [X] 'award-reliant' employees.

Is this the number of employees in your [business/organisation] that currently have their wage set under an award-reliant arrangement?

Yes → [GO TO SCREEN 6](#)

No → [GO TO SCREEN 5A](#)

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SCREEN 5A

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q4A. How many employees currently have their pay set under an award-reliant arrangement?

[\[ENTER #\]](#)

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SCREEN 6

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q5. During the telephone interview, [you/ a representative from your business/organisation] said that the following [X] [award/s] [is/are] used to set pay for your [x] 'award reliant' employees:

[LIST AWARD NAME/S]

[Are these/Is this] the [award/s] currently used to set pay rates for all of the award reliant employees in your [business/organisation]?

Yes → [GO TO SCREEN 7](#)

No → [GO TO SCREEN 6A](#)

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SCREEN 6A

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q6A. Please enter the [name/s] of the top 3 awards used by your [business/organisation] to set pay rates for your award reliant employees. Please list the top 3 awards on the basis of awards that are used to set the pay rates for the highest numbers of 'award-reliant' employees.

PROGRAMMING INSTRUCTION: [LINK TO MODERN AWARD LIST WITH SEARCH FIELD](#)

1. [\[click to select award\]](#)
2. [\[click to select award\]](#)
3. [\[click to select award\]](#)

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PROGRAMMING INSTRUCTION: IF AWARD CONTAINS MORE THAN 1 CLASSIFICATION STRUCTURE/WAGE SCHEDULE, GO TO SCREEN 6B. IF AWARD CONTAINS ANNUALISED SALARY CLAUSE, GO TO SCREEN 6C, ELSE GO TO SCREEN 7.

SCREEN 6B

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q6B. The [AWARD NAME] contains [N] separate wage schedules that contain pay rates for the classifications under the award. Which of the following classifications in the award are used by your [business/organisation] to set pay rates for your award-reliant employees?

PROGRAMMING INSTRUCTION: LIST [N] classification structures within each Award used by the business organisation.

1. [\[click to select classification\]](#)
2. [\[click to select classification\]](#)
3. [\[click to select classification\]](#)
4. [\[click to select classification\]](#)

PROGRAMMING INSTRUCTION: PROVIDE TABLE AT Q7 FOR EACH CLASSIFICATION AND FOR EACH AWARD.

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PROGRAMMING INSTRUCTION: IF AWARD CONTAINS ANNUALISED SALARY CLAUSE, GO TO SCREEN 6C, ELSE GO TO SCREEN 7.

SCREEN 6C

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q6B. How many of the award-reliant employees who have their pay set by the [AWARD NAME] have their wage annualised as a salary under the terms of the award?

[None](#)

[\[ENTER #\]](#)

For the next question, please count employees who have an annualised salary arrangement under the classification/pay rate that is used to calculate the annualised salary amount (i.e. the base pay rate the employee would receive if they were paid exactly the rate specified in the award wage schedule).

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SCREEN 7**FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO**

Q7. Please enter the number of 'award-reliant' employees that have their pay set at each of the applicable classification levels/pay rates for the [Award classification name] classification in the [Award name].

PROGRAMMING INSTRUCTION: IF [AWARD NAME] = OTHER OR DON'T KNOW:

Q7A. Please enter the number of award-reliant employees that have a base pay within each of ranges in the table.

For each pay range, please indicate the gender; employment status and usual hours worked by the award-reliant employees.

PROGRAMMING INSTRUCTIONS: REPEAT BELOW TABLE FOR EACH AWARD CLASSIFICATION STRUCTURE IN AWARD. REPEAT BELOW TABLE FOR EACH AWARD (UP TO TOTAL OF THREE).

PROGRAMMING INSTRUCTION: FOR JUNIORS, TRAINEES, APPRENTICES and SUPPORTED WAGE SYSTEM EMPLOYEES, ROWS IN TABLE BELOW WILL ONLY SHOW UP IF RELEVANT FOR THAT AWARD. PAY RANGES WILL BE AUTOMATICALLY PRE-POPULATED TO INCLUDE BASE HOURLY RATE, WEEKLY RATE, HOURLY RATE WITH CASUAL LOADING, AND IF PAY RATES ARE PRESENTED IN THE AWARD AS ANNUAL AMOUNTS, ANNUAL SALARY.

For each classification level/pay rate that is used by the [business/organisation] to set wages for award-reliant employees, please indicate the gender; employment status and usual hours worked by the employees.

Please note that you do not need to enter a number into every field. Fields that are left blank will automatically register as zeros.

IF USES ANNUALISED SALARY ARRANGEMENT IN AN AWARD:

Please count the award-reliant employees with annualised salaries under the base pay rate they would receive if they were paid exactly the rate specified in the wage schedule.

Total: 'award-reliant' employees

Award:

Award classification:

	FEMALE				MALE			
	Permanent (paid leave entitlements)		Casual (no paid leave entitlements)		Permanent (paid leave entitlements)		Casual (no paid leave entitlements)	
	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)	Full-time hrs (35 hrs or more per week)	Part-time hrs (less than 35 hrs per week)
Juniors								
Trainees								
Apprentices								
Supported Wage system								
Pay range 1								
Pay range 2								
Pay range 3								
Pay range 4								
Pay range 5								
Pay range 6								
Pay range 7								

Total	
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Remainder	
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PROGRAMMING INSTRUCTION: CALCULATE CUMULATIVE TOTAL AS RESPONDENT ENTERS NUMBERS IN FIELDS IN TABLE. TOTAL NUMBER OF EMPLOYEES IN TABLE SHOULD NOT EXCEED TOTAL FOR Q4 [OR Q4A]. WARNING APPEARS ON SCREEN TO ALERT RESPONDENT IF THEY HAVE EXCEEDED TOTAL.

PROGRAMMING INSTRUCTION: IF [AWARD NAME] = OTHER OR DON'T KNOW ASK Q8. ELSE, SKIP TO SCREEN 9

SCREEN 8

FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO

Q8. How many of your award-reliant employees are employed in positions that require tertiary/university qualifications or highly specialised knowledge or skills. For example, positions such as accountants, pharmacists, engineers, registered nurses, social workers, teachers.

Please do not count employees who are tertiary/university qualified but who do not require the qualification to perform their role or skilled tradespersons and technicians who have vocational qualifications.

None

[ENTER #]

Don't know

Refused

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SCREEN 9**FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO**

If you wish to adjust any figures or review your answers one final time, use the previous button; otherwise please use the next button to finish the survey.

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SCREEN 10**FAIR WORK COMMISSION AWARD RELIANCE SURVEY PART TWO**

Thank you very much for completing the award reliance survey. Your participation has been very important.

The information we have collected is confidential and will only be used for the purposes of this study. No identifiable information about your organisation will be provided to the Fair Work Commission. All of your answers will be combined with those from other organisations for reporting purposes.

If you have any queries or concerns about this project, you can contact the Minimum Wages Research Team at the Fair Work Commission on (03) 8661 7014. Alternatively, you can contact ORC International on (03) 9935 5788.

If you have queries about employment conditions and wages you can contact the Fair Work Infoline, which is operated by the Fair Work Ombudsman, on 13 13 94 or their website: www.fairwork.gov.au

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