



Key Pay Indicators (KPI) Online

UPDATE No. 1999/02

JUNE 1999

KPI Online (published up to December 1998 as Economic Update) covers the three months to June 1999 and has been developed by the Workplace Reform Group (WRG), in conjunction with the Workplace Relations Policy Group, in the Department of Employment, Workplace Relations and Small Business (DEWRSB).

KPI Online seeks to inform public sector client organisations of key indicators to assist their understanding of the wider environment in which agreement making about pay and conditions of employment is occurring. The information is provided as one of the many considerations relevant to agreement making that agencies may wish to take into account.

The June 1999 KPI Online includes:

- **Inflation** – current and historical Consumer Price Index estimates;
- **Aggregate Earnings Growth** – current and historical estimates of average weekly ordinary time earnings (AWOTE) for full-time adult employees for the public and private sectors, as well as data from the Australian Bureau of Statistics' quarterly wage cost index (WCI) survey;
- **Executive Remuneration** – current information on remuneration trends for senior management; and
- **Workplace Agreements and Public Service Wage Developments** – pay developments in federal certified agreements in the public and private sectors (these indicators are drawn from DEWRSB's quarterly publication *Wages Trends in Enterprise Bargaining*) and outcomes of certified agreements covering Australian Public Service agencies
 - the table of agreement outcomes currently includes **all** APS agreements certified to the end of June 1999 (with 'second round' agreements identified where these are in place);
 - future editions of KPI Online will include a table covering only 'second round' agreements – there will be a link to the comprehensive table (which will be kept up-to-date).

We welcome queries about the publication, feedback on the value of this service and/or how it could be improved. The DEWRSB contact in the first instance is Bob Lyon (telephone 02 6121 7817; fax 02 6121 7781; or e-mail Bob.Lyon@DEWRSB.gov.au).

KEY PAY INDICATORS (KPI) ONLINE

JUNE 1999 SUMMARY

Inflation

Over the year to the March quarter 1999:

- The headline CPI rate rose by **1.2 per cent**
- Treasury's underlying CPI rate rose by **1.7 per cent**

Aggregate Wages Growth

The Average Weekly Earnings Survey shows that over the year to the February quarter 1999:

- AWOTE for full-time adult employees grew by **3.1 per cent**
- Public sector AWOTE grew by **5.2 per cent**
- Private sector AWOTE grew by **2.6 per cent**

The Wage Cost Index shows that over the year to the March quarter 1999:

- Total hourly rates of pay excluding bonuses grew by **3.0 per cent**
- Public sector total hourly rates of pay excluding bonuses grew by **4.1 per cent**
- Private sector total hourly rates of pay excluding bonuses grew by **2.8 per cent**

Executive Remuneration

Over the year to the March quarter 1999:

- Senior management base salaries rose by **4.7 per cent**
- Senior management total remuneration rose by **4.9 per cent**

Wage Agreements

In the March quarter 1999, the AAWI for:

- all current federal wage agreements was **3.9 per cent**
- all current federal public sector wage agreements was **3.7 per cent**
- federal wage agreements formalised in the quarter was **3.8 per cent**
- federal public sector wage agreements formalised in the quarter was **3.5 per cent**

CONSUMER PRICES

With the introduction by the ABS of the new 13th series CPI methodology, the Reserve Bank has decided to target the headline CPI instead of Treasury's measure of underlying inflation when determining monetary policy

Treasury's underlying rate will continue to be published, however it is expected to lose policy and market significance.

The latest ABS estimates of *annual* change in CPI, using results from both the 12th and 13th CPI series, show that over the year to the March quarter 1999, the headline CPI rose by **1.2 per cent**, after rising by 1.6 per cent over the year to the December quarter 1998

Treasury's underlying CPI measure rose by 1.7 per cent over the year to the March quarter, after rising by 1.6 per cent over the year to the December quarter.

Quarterly estimates show that the headline CPI fell by **0.1 per cent** in the March quarter 1999, after rising by 0.5 per cent in the December quarter 1998

Treasury's underlying CPI measure rose by 0.6 per cent in the March quarter, following a rise of 0.3 per cent in the December quarter.

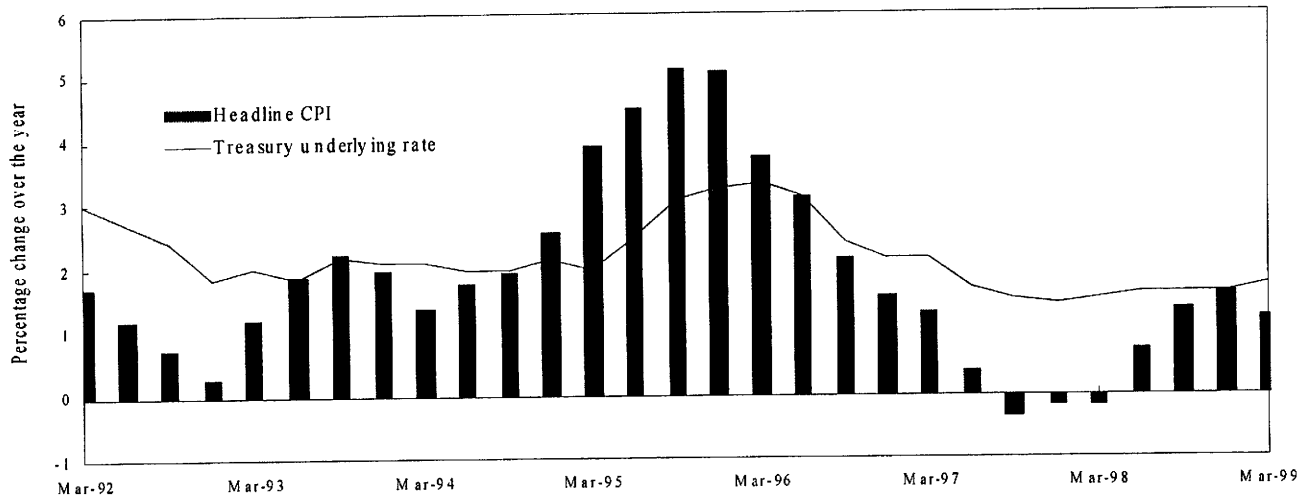
Table 1: Headline and Treasury Underlying CPI

	Headline CPI		Underlying CPI	
	Qrtly % Change	Annual % Change	Qrtly % Change	Annual % Change
<i>Mar 97</i>	0.2	1.3	0.4	2.1
<i>Jun 97</i>	-0.2	0.3	0.3	1.7
<i>Sep 97</i>	-0.4	-0.3	0.3	1.5
<i>Dec 97</i>	0.3	-0.2	0.3	1.4
<i>Mar 98</i>	0.3	-0.2	0.5	1.5
<i>Jun 98</i>	0.6	0.7	0.4	1.6
<i>Sept 98</i>	0.2	1.3	0.4	1.6
<i>Dec 98</i>	0.5	1.6	0.3	1.6
<i>Mar 99</i>	-0.1	1.2	0.6	1.7

Source: ABS Cat No 6401.0

The 1999-2000 Budget forecast inflation to average 2 per cent in 1999-2000, up from 1_ per cent in 1998-1999. Chart 1 shows annual movements in the headline CPI and the Treasury's underlying CPI measure since March 1992.

Chart 1: Movement in Headline CPI and Treasury's Underlying CPI



Source: ABS Cat 6401.0

AGGREGATE EARNINGS GROWTH

AVERAGE WEEKLY EARNINGS SURVEY

Final ABS estimates show that *average weekly ordinary time earnings* (AWOTE) for full-time adult employees increased by **3.1 per cent** in seasonally adjusted terms over the year to February 1999, a decline from growth of 4.2 per cent over the year to November 1998. These figures reflect both actual changes in workers' earnings and changes in the composition of the workforce covered by the ABS survey.

Private sector AWOTE grew by **2.6 per cent** over the year to February after increasing by 3.7 per cent over the year to November.

Public sector AWOTE grew by **5.2 per cent** over the year to February after increasing by 6.0 per cent over the year to November.

Table 2: Public and Private Sector AWOTE Growth

	Quarterly Percentage Change			Annual Percentage Change		
	Full-time adult AWOTE Private Sector	Full-time adult AWOTE Public Sector	Full-time adult AWOTE Total	Full-time adult AWOTE Private Sector	Full-time adult AWOTE Public Sector	Full-time adult AWOTE Total
<i>Feb 97</i>	1.1	0.9	0.9	3.6	7.1	4.3
<i>May 97</i>	0.2	1.7	0.6	2.6	7.3	3.6
<i>Aug 97</i>	1.8	1.2	1.7	4.0	6.1	4.4
<i>Nov 97</i>	0.7	0.2	0.5	3.8	4.0	3.7
<i>Feb 98</i>	1.1	2.0	1.3	3.7	5.1	4.1
<i>May 98</i>	1.0	0.6	0.9	4.6	4.0	4.4
<i>Aug 98</i>	1.3	2.1	1.5	4.1	4.7	4.2
<i>Nov 98</i>	0.3	1.4	0.5	3.7	6.0	4.2
<i>Feb 99</i>	0.0	1.3	0.2	2.6	5.2	3.1

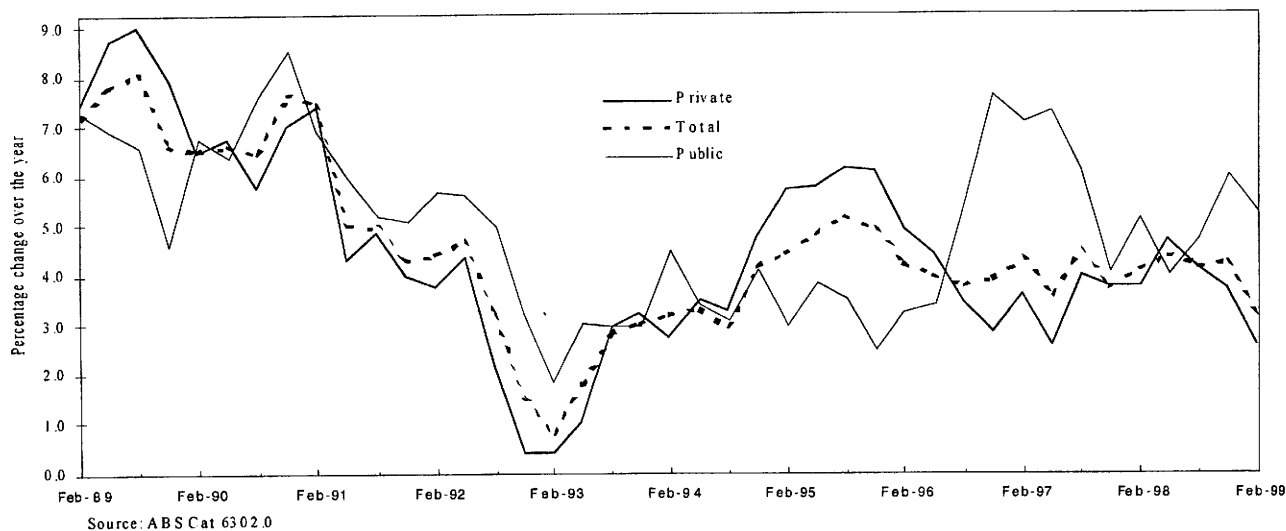
Source: ABS Cat No 6302.0

At 3.1 per cent in February 1999, annual AWOTE growth is down significantly from 4.2 per cent in November 1998. Annual AWOTE growth is now at its lowest level since August 1994. At 5.2 per cent per annum, estimated public sector AWOTE growth still appears to be affected by compositional changes in the structure of public sector employment.

The Wage Cost Index has recently been suggesting that AWOTE growth may have been overstating underlying wages pressures in the economy. The AWOTE figures for February 1999 lend support to this argument.

Chart 2 (overleaf) gives a longer-term picture of trends in AWOTE by public and private sector and for the economy as a whole.

Chart 2: Annual Growth in AWOTE for full-time Adults, by Sector



WAGE COST INDEX

The Wage Cost Index (WCI) provides a better measure of underlying growth in wage costs than the AWE survey. The main advantage of the WCI is that it is not affected by compositional changes in the workforce.

The total hourly rate of pay index excluding bonuses rose by 0.9 per cent in the March quarter 1999, after rising by 0.6 per cent in the December quarter 1998

- the total hourly rate of pay index excluding bonuses rose by **3.0 per cent** over the year to the March quarter, after rising by 3.1 per cent over the year to the December quarter.

Private sector total hourly rates of pay excluding bonuses rose by 0.7 per cent in the March quarter 1999, after rising by 0.6 per cent in the December quarter 1998

- private sector total hourly rates of pay excluding bonuses rose by **2.8 per cent** over the year to the March quarter, after rising by 3.0 per cent over the year to the December quarter.

Public sector total hourly rates of pay excluding bonuses rose by 1.5 per cent in the March quarter 1999, after rising by 0.6 per cent in the December quarter 1998

- public sector total hourly rates of pay excluding bonuses rose by **4.1 per cent** over the year to the March quarter, after rising by 3.6 per cent over the year to the December quarter.

Results from the WCI for the March quarter 1999 confirm the impression from the AWOTE numbers that, if anything, wage pressures are easing. Annual growth in private sector total hourly rates of pay excluding bonuses fell to 2.8 per cent in the March quarter 1999 from 3.0 per cent over the year to the December quarter 1998 and 3.2 per cent in the year to the September quarter 1998.

EXECUTIVE REMUNERATION

The latest Mercer Cullen Egan Dell (MCED) *Quarterly Salary Review* shows that over the year to the March quarter 1999, senior management base salaries rose by **4.7 per cent**, after rising by 4.8 per cent in the December quarter 1998. Senior management total remuneration rose by **4.9 per cent** over the year to the March quarter, after rising by 4.8 per cent over the year to the December quarter (see Table 3).

Total remuneration may include such items as loan benefits, superannuation contributions, value of vehicles and parking, in addition to base salary.

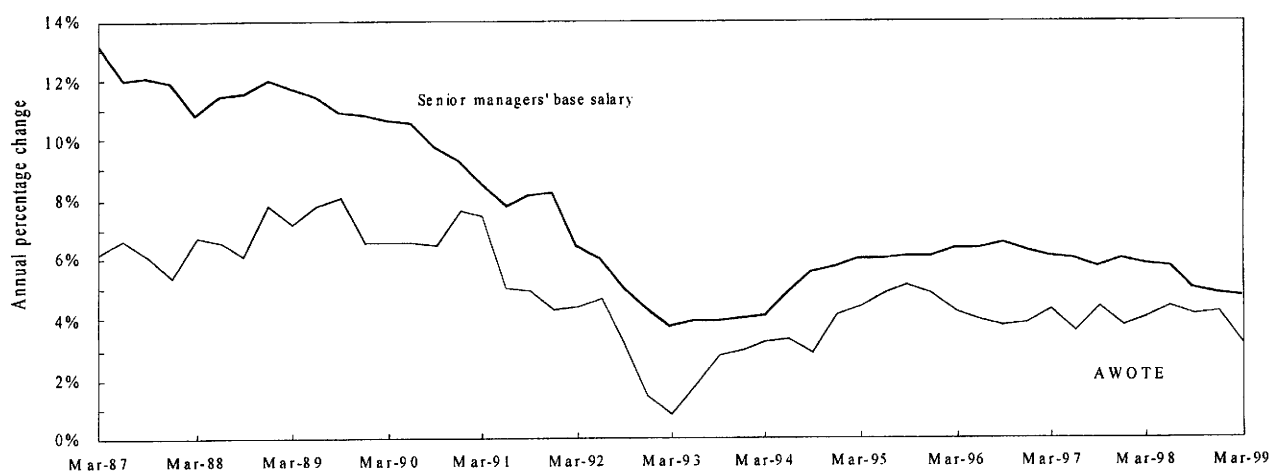
Table 3: Senior Management Remuneration

	Base Salary		Total Remuneration	
	Qrtly % Change	Annual % Change	Qrtly % Change	Annual % Change
<i>Mar 97</i>	1.8	6.0	2.1	6.1
<i>Jun 97</i>	0.9	5.9	0.7	6.1
<i>Sep 97</i>	1.8	5.7	1.8	5.8
<i>Dec 97</i>	1.7	5.9	1.7	6.0
<i>Mar 98</i>	1.5	5.8	1.7	5.7
<i>Jun 98</i>	0.6	5.7	0.4	5.6
<i>Sept 98</i>	1.1	5.0	1.0	4.9
<i>Dec 98</i>	1.5	4.8	1.6	4.8
<i>Mar 99</i>	1.4	4.7	1.8	4.9

Source: MCED *Quarterly Salary Review*

The gap between growth in senior management base salaries and AWOTE has been narrowing in recent quarters. However, with the significant fall in annual AWOTE growth in the February quarter 1999, the gap has increased again, as shown in Chart 3.

Chart 3: Annual Growth in Senior Management Base Salaries and AWOTE for full-time Adult Employees



Source: ABS Cat No 6302.0, MCED Quarterly Salary Review

WORKPLACE AGREEMENTS

DEWRSB's Workplace Agreements Database (WAD) contains information on all known federal enterprise agreements which have been certified or approved by the Australian Industrial Relations Commission (AIRC) since the introduction of the Enterprise Bargaining Principle in October 1991.

The WAD covers general details (such as sector, ANZSIC (industry), duration, employees covered), wage details (quantum and timing of increases) and employment conditions. Information entered on the WAD is drawn from copies of federal agreements lodged with the Australian Industrial Registry.

Public sector wage trends

It is important to note that wage movements under agreements may reflect the cashing out of other benefits or changes in remuneration arrangements, as well as increased base pay.

At least 141 federal public sector wage agreements, covering an estimated 30,000 employees, were formalised by the AIRC in the March quarter 1999. These agreements paid annualised wage increases averaging **3.5 per cent** per employee, down 1.0 percentage points from 4.5 per cent in the previous quarter (see Table 4).

Most of the apparent decline in the public sector outcome in the March quarter was accounted for by the SA Department for Education and Children's Services agreement, which inflated the previous quarter's results. If this large agreement was excluded, the public sector result for the December quarter 1998 would have been 3.8 per cent per employee. On this basis, there has been little real variation in the underlying trend in public sector wage outcomes in the last four quarters.

For all federal public sector wage agreements current at 31 March 1999, the AAWI per employee was **3.7 per cent**, slightly down on the estimate for the previous quarter (3.9 per cent).

Almost all of the Australian Public Service (APS) is now covered by Agreements. As at 30 June 1999 there are 98 current Certified Agreements in the APS, including three second round agreements. These agreements provide for a range of productivity initiatives to fund increases in salaries over varying periods of up to three years. Pay rises negotiated under these agreements average around 3 - 4 per cent per annum, except where they reflect cashing out of other entitlements, although one-off bonuses are commonplace.

As at the end of May 1999, some 3840 Australian Workplace Agreements (AWAs) had been finalised in the APS. Over 90% of the Senior Executive Service (SES) in the APS are now covered by individual AWAs, and details of SES remuneration appear below. There is an increasing number of AWAs being entered into below the SES level with around 2000 AWAs approved below that level.

Revised Policy Parameters for Agreement Making in the APS were released on 17 May 1999 following an extensive review process which included consultation with APS agencies and other stakeholders. The 1999 Parameters are a more streamlined set of Government policy requirements than the 1997 Parameters, having been reduced from twelve to six. They provide agencies with more flexibility to manage their agreement making within the framework of Government policy. They also reflect the continuing process of devolving the responsibility for agreement making to Agency Heads and

responsible Ministers.

An evaluation of the first round of agreement making is currently underway. The purpose of the evaluation is to identify a range of best practice initiatives which will assist agencies in negotiating future agreements and which will aid future policy development. The review will concentrate both on the processes used by agencies in developing agreements and on identifying particular provisions of agreements which have had a positive impact on productivity and performance.

Table 5 gives details of Certified Agreements in the APS at 30 June 1999.

Table 6 summarises pay and agreement making developments in the Commonwealth, State and Territory public services.

SES Remuneration Survey, December 1998

DEWRSB has recently completed a confidential survey of Senior Executive Service (SES) remuneration in the APS. The survey covered Portfolio Departments and several large agencies, which together employ about 75% of APS SES, and was undertaken by the Department in conjunction with the Australian Bureau of Statistics. Table 7 shows the aggregated APS data from the survey. (The underlying data is robust but does need to be treated with some caution – mainly stemming from use of Agency averages/estimates rather than actual individual remuneration data in key areas such as superannuation and vehicles.)

The survey findings confirm that, through AWAs, Agencies are providing more flexible remuneration to SES staff. Agencies have set wider available salary ranges compared to 1996 APS wide salaries for APS SES, although the actual salary ranges used so far are narrower and clustered at the upper ends of the ranges.

More than three quarters of agencies have provided for SES salary increases to be determined on the basis of performance, but more than 40% of these take account of other factors such as work value, individual skills/capabilities and market pressures.

Almost all agencies (91%) have provided for performance-based bonuses, which range between 1% to 20% of salary, but given the cutoff for the survey (31 December 1998) many agencies had not yet paid performance rewards.

Increases in overall average salary and overall total remuneration have been quite modest. In comparison to the 1996 salaries and remuneration packages for APS SES:

- average SES salary has increased by between 4% and 5% - \$4,100 (4.9%) for Band 1, \$4,050 (4%) for Band 2 and \$5,100 (4.2%) for Band 3
 - i.e. the average salary rises for APS SES since 1996 have been around 2 – 2.5% per annum;
- average SES total remuneration has increased by around 2.5% - \$3,200 (2.7%) for Band 1, \$3,300 (2.4%) for Band 2 and \$4,200 (2.5%) for Band 3
 - i.e. average total remuneration for APS SES rose since 1996 by a little over 1% per annum.

These increases are also modest in comparison to:

- APS pay increases for non-SES – pay rises negotiated to date under certified agreements average around 3% to 4% per annum;
- pay increases under federal public sector wage agreements – the average annual wage increase in agreements current at 31 December 1998 was 3.9%;

Over the year to the December quarter 1998 both senior management base salaries and total remuneration rose by 4.8% according to figures from the Mercer Cullen Egan Dell (MCED) *Quarterly Salary Review*.

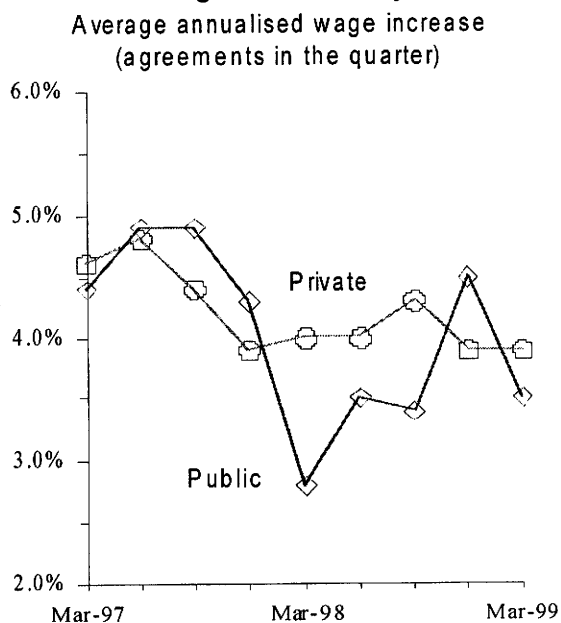
WAGE TRENDS IN ENTERPRISE BARGAINING

TABLE 4: KEY FIGURES

Wage agreements in the quarter	Dec'98	Mar'99	Change
AAWI per employee - All sectors	4.2%	3.8%	-0.4 pts
AAWI per employee - Private sector	3.9%	3.9%	0.0 pts
AAWI per employee - Public sector	4.5%	3.5%	-1.0 pts
All current wage agreements			
AAWI per employee - All sectors	4.0%	3.9%	-0.1 pts
AAWI per employee - Private sector	4.1%	4.1%	0.0 pts
AAWI per employee - Public sector	3.9%	3.7%	-0.2 pts

Note: AAWI = Average Annualised Wage Increase

Chart 4: Agreements by sector



KEY POINTS

- Federal wage agreements formalised in the March quarter 1999 paid an average annualised wage increase (AAWI) of 3.8% per employee, down from 4.2% for the December quarter 1998.
- The fall in AAWI was entirely accounted for by public sector wage outcomes. New public sector federal wage agreements paid, on average, an annual increase of 3.5% per employee, down 1.0 percentage points from the December quarter 1998 figure of 4.5%. AAWI per employee in private sector agreements remained unchanged in the March quarter 1999 at 3.9%.
- All current federal wage agreements, as at 31 March 1999, paid an AAWI of 3.9% per employee, down 0.1 percentage points from the AAWI paid for all federal wage agreements current at 31 December 1998.

Chart 5: All wage agreements

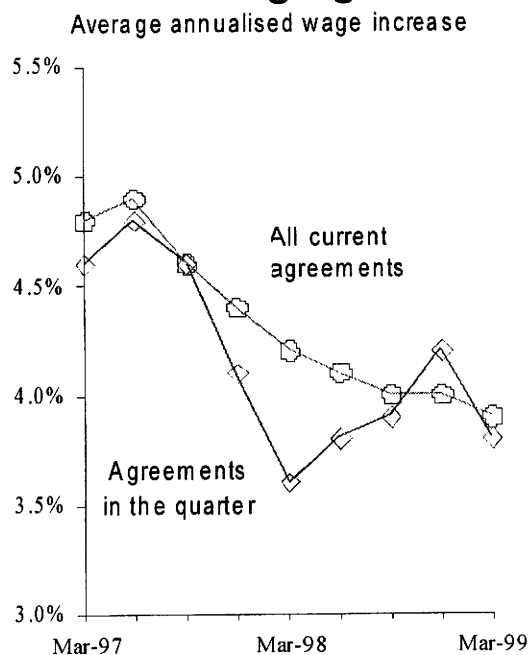


TABLE 5: CERTIFIED AGREEMENTS IN THE APS AT 30 JUNE 1999

<i>Agency</i>	<i>Certified</i>	<i>Increases</i>	<i>Emp's</i>	<i>Duration</i>	<i>Increase pa. *</i>
<i>Aboriginal and Torres Strait Islander Commission</i>	12/8/98	6% increase (4% from 12/8/98 and 2% from 1/11/98) plus a \$500 bonus	1250	16 months	4.5%
<i>Aboriginal Hostels</i>	27/1/99	3% increase from 21.1.99 plus a minimum bonus of \$500. A \$1000 bonus available to Hostel Managers from 1 July 99 where agreed performance measures have been met.	410	17 months	2.1%
<i>Administrative Appeals Tribunal</i>	23/3/98	1) APS Level 2-6: 5% pay increase from January 1998 2) Executive Level 1-2: 4% pay increase from January 1998	140	15 months	3.3% 2.7%
<i>Affirmative Action Agency</i>	30/7/98	7% increase (3.5% from 30/4/98 and 3.5% from 30/7/99) plus a 2% bonus.	18	2 years	3.1%
<i>Attorney-General's Department (doesn't include ITSA, AGS or APS)</i>	29/9/98	5% increase (2% from certification and 3% from July 1999) plus bonuses on certification up to \$500 net	580	21 months	2.9%
<i>Australia New Zealand Food Authority</i>	18/9/98	Up to 5.5% pay increase (3% from 22/5/98 and between 1% and 2.5% from 1/1/99) Second increase contingent on a satisfactory performance assessment.	68	15-16 months	3.4%
<i>Australian Agency for International Development</i>	11/8/98	2% increase from 11/8/98 plus 3% bonus	595	2 years	1%
<i>Australian Antarctic Division</i>	2/11/98	6% increase (4.5% from 25 June 98 and 1.5% from 24.6.99).	376	20 months	3%
<i>Australian Broadcasting Authority</i>	3/11/98	5.5% increase (3.5% from 1 August 98 and 2% from 1 July 99.) plus a one-off bonus of \$1150. On implementation of a Performance Review and Development Framework, staff will be paid a 1% bonus.	136	2 years	2.4%
<i>Australian Bureau of Agricultural and Resource Economics</i>	26/6/98	6% increase (3% on 26.6.98 and 3% increase on 26.12.98)	160	2 years	3%
<i>Australian Bureau of Statistics</i>	24/11/98	1) Below Exec Level 2 at least a 7% increase (2% from 25.6.98, 2% from 9.7.98, at least 1.5% from 8.7.98 and at least 1.5% from 6/7/2000) 2) For Exec Level 2s at least a 6.25% increase (2% from 25.6.98, 1.25% from 9/7/98, at least 1.5% from 7.1.99 and at least 1.5% from 6.1.2000) All levels - a 2% bonus on certification plus an additional one-off bonus of 1% on 7.1.99 contingent on progress with the Performance Management Scheme.	2689	20 months	3.4%
<i>Australian Centre for International Agricultural Research</i>	11/8/98	5% increase (3% on 11/8/98 and 2% from 1/7/99)	50	2 years	2.5%
<i>Australian Communications Authority</i>	25/8/98	5% increase (3% from 1 July 1998 and 2% from 1 January 1999) plus a bonus on certification ranging between \$400 and \$975 (depending on level of employee).	450	16 months	3.3%

<i>Agency</i>	<i>Certified</i>	<i>Increases</i>	<i>Emp's</i>	<i>Duration</i>	<i>Increase pa. *</i>
<i>Australian Competition and Consumer Commission</i>	1/6/98	6% increase (3% from certification and 3% from 31/3/99) plus an overall agency bonus of \$200,000 to be distributed among all permanent and fixed term employees pro rata for service since 1/7/97.	330	18 months	4%
<i>Australian Customs Service – Customs Officers (now replaced by second round ag't)</i>	7/7/98	3% from 1/3/98	3750	6 months	3%
<i>Australian Customs Service – Senior Officers (now replaced by second round ag't)</i>	7/7/98	3% from 1/3/98	400	6 months	3%
<i>Australian Customs Service (Customs Lawyers) (now replaced by second round ag't)</i>	29/10/98	3% increase from 1 July 98 plus a \$460 bonus.	16	2 months	3%
<i>Australian Electoral Commission</i>	12/11/98	6% increase (4% from 15/10/98 and 2% from 1 July 1999) plus a one off gross bonus of \$1000.	805	20 months	3.4%
<i>Australian Geological Survey Organisation</i>	3/7/98	3.5% increase (2% from 3/7/98 and 1.5% from 1/3/99)	450	2 years	1.8%
<i>Australian Government Analytical Laboratories</i>	7/6/99	7% increase (3% from 5/11/98, 2% from 1/7/99 and 2% from 1/7/2000) plus a \$500 bonus. Business Related Performance Payments are also available depending on business outcomes.	175	18-19 months	3.2%
<i>Australian Government Solicitor</i>	2/6/99	5.06% increase from 8/7/99 plus a bonus of 4.05% of gross salary received between 2/7/98 and 26/5/99.	602	13 months	5.06%
<i>Australian Industrial Registry</i>	14/5/98	7% pay increase (4.5% from 19 Feb 98 and 2.5% from 14 May 99)	251	19 months	3.8%
<i>Australian Institute of Aboriginal and Islander Studies</i>	18/9/98	7% increase (3.5% from certification and 3.5% from September 1999) plus \$582 bonus on certification.	62	2 years	3.5%
<i>Australian Institute of Family Studies</i>	8/10/98	3% increase on certification plus a \$1000 bonus. An additional 2% increase from 31.12.98 for staff who have completed the requirements of the Performance Appraisal Scheme.	43	9 months	3%
<i>Australian Institute of Health and Welfare</i>	21/10/98	6% increase (3% from 1 July 1998 plus 3% from 1 July 1999)	100	20 months	3%
<i>Australian National Audit Office</i>	10/6/98	6% increase (2% from June 1998, 2% from June 1999 and 2% from June 2000)	300	28 months	2.5%
<i>Australian National Maritime Museum</i>	12/10/98	5 % increase (3% from 1/10/98 and 2% from 1 July 1999) plus a \$750 bonus on certification.	113	21 months	2.9%
<i>Australian Protective Service Interim Woomera Shift work Agreement</i>	3/5/99	No increase in base rates of pay. In recognition of revised roster arrangements staff will receive a Nurrungar Allowance of \$6,800 per annum paid fortnightly.	29	1 year	0%
<i>Australian Quarantine Inspection Service</i>	16/9/98	6% increase (4% from certification, 2 % from September 1999)	1200	2 years	3%
<i>Australian Securities and Investment Commission</i>	9/12/98	6% increase (4% from 1 Dec 1998 and 2% from 1 Jan 2000) plus a bonus of \$500.	1200	19 months	3.8%

<i>Agency</i>	<i>Certified</i>	<i>Increases</i>	<i>Emp's</i>	<i>Duration</i>	<i>Increase pa. *</i>
<i>Australian Taxation Office (Executive Level 2)</i>	13/8/98	6% increase from 30/4/98 plus 2% bonus	800	10 months	5.1%
<i>Australian Taxation Office (General Employees)</i>	20/8/98	Depending on corporate outcomes employees can receive up to an 8% increase (2% from 30/4/98, 2% from 9/7/98 and 4% from 8/7/99) plus bonuses totally approx 7.5%	16000	10 months	Up to 6.7%
<i>Australian Transaction Reports and Analysis Centre</i>	19/8/98	6% increase (3% from 1/7/98 and 3% from 1/7/99)	43	2 years	2.9%
<i>Australian Valuation Office</i>	3/6/99	5% increase (2% from 3/6/99, 2% from 3/6/2000 and 1% from when certain targets are met)	140	1 year	5%
<i>Australian War Memorial</i>	5/8/98	4.5% increase (3% from 5/8/98 and 1.5% from 1/7/99) plus \$500 bonus	240	23 months	2.3%
<i>Bureau of Meteorology</i>	17/11/98	5.5% increase (3% from 25 June 98 and 2.5% from 10 June 99) plus one-off gross payment of \$700 on certification.	1430	13 -14 months	3.7%
<i>Bureau of Resource Sciences</i>	14/5/98	6% pay increase (4% from certification and 2% from 14 May 99)	200	2 years	3%
<i>Centrelink (now replaced by second round ag't)</i>	18/11/97	3.5% pay increase (initial 1.5% and 2% from mid-98) plus \$300 after tax bonus from Dec 97 (access to the bonus and 2% are conditional on improved client service performance by work groups)	26,000	1 year	3.5%
<i>Child Support Agency Executive Level 2 staff</i>	15/12/98	No increase in this agreement. Refer to ATO agreement for previous increase.	42	6-7 months	0%
<i>Child Support Agency - General Employees</i>	15/12/98	Depending on corporate outcomes employees can receive up to 4% increase from 8/7/99 plus bonuses totally up to 4%.	2585	6-7 months	4%
<i>Comcar</i>	4/3/98	6% pay increase (3% from 1 Dec 97 and 3% from 1 July 98) plus 1.25% bonus. Conditional performance bonus available to staff - between 2%-15% of salary	111	15-16 months	3.8%
<i>COMCARE</i>	14/7/98	3.5% from 2/4/98 plus \$600 net bonus	400	12 months	2.8%
<i>Commonwealth Director of Public Prosecutions</i>	10/8/98	4% increase from certification plus \$1000 bonus	340	22 months	2.1%
<i>Commonwealth Grants Commission</i>	23/10/98	6.5% for APS 1-6 or 5.5% for Executive Officers 1 & 2 plus one-off bonus of 5.5% of salary received since 1/12/97; further 2.5% from 1/7/99 for all staff contingent on feedback scheme implementation.	50	20 months	3.9%
<i>Commonwealth Rehabilitation Service</i>	12/6/98	2% increase from 11/6/98 plus bonus of \$1000 on certification. Additional bonus up to a maximum of 2% on 30/6/99 contingent on profitability.	1631	12 months	2%
<i>Commonwealth Superannuation Administration</i>	26/5/98	4.5% pay increase (2% from 9 Apr 98 and 2.5% from May 99) plus 2% of salary bonus on certification plus 1.5% bonus paid in two instalments in Dec 98 and Dec 99. Both bonuses are paid pro rata depending on length of service.	300	19 months	2.6%
<i>Defence Housing Authority</i>	7/4/98	\$2000 increase from 7 Apr 98 plus \$700 bonus. Approx. \$775 to \$971 increase from 1 Jul 98 in lieu of a previous reimbursement scheme for family care and/or sports.	240	1 year	approx 5%

<i>Agency</i>	<i>Certified</i>	<i>Increases</i>	<i>Emp's</i>	<i>Duration</i>	<i>Increase pa. *</i>
<i>Department of Communications and the Arts</i>	30/6/98	6% increase (4% from certification and 2% from June 1999) plus a \$400 bonus.	472	2 years	3%
<i>Department of Defence</i>	6/5/98	6% pay increase (3% from 11 Dec 97, 1% from 11 Jun98 and 2% from 10 Dec 98)	18,000	17 months	3.2%
<i>Department of Employment, Education Training and Youth Affairs</i>	10/7/98	5.5% increase (2% from 2/4/98, 2% from 30/9/98 and 1.5% from 30/5/99) plus a bonus of 2% of 9 months salary.	2500	14 months	3.7%
<i>Department of Employment, Education, Training and Youth Affairs Network</i>	30/3/98	2% pay increase from April 98, plus \$500 bonus on certification	5,000	15 months	1.6%
<i>Department of Finance and Administration</i>	10/2/98	6% pay increase (3% from 1 Dec 97 and 3% from mid-98) plus 1.25% bonus. Conditional performance bonus available to staff – between 2%-15% of salary.	1,600	16-17 months	3.8%
<i>Department of Foreign Affairs and Trade</i>	14/1/98	Pay increase: 1) APS 1-6: 7% pay increase (3%, 2.5% from mid-98 in recognition of excess working hours, and 1.5% from mid-99); and; 2) Others: 4.5% pay increase (3%, then 1.5% from mid-99); plus 1.5% lump sum bonus for all staff. Annual achievement bonuses, ranging from 2 to 13% are available. A lump sum of \$200,000 per annum will be available for program managers to grant bonuses to teams/employees.	2,060	29-30 months	2.8% 1.8%
<i>Department of Health and Family Services</i>	8/4/98	Up to 5.5% pay increase (3% from 20 Nov 97 and between 1% and 2.5% from 1 Aug 98) Second increase contingent on a satisfactory performance assessment and establishing a performance agreement for 1998/99.	3,700	15 months	3.5%
<i>Department of Immigration and Multicultural Affairs</i>	16/7/98	7.5% increase (2.5% increase from 31 March 1998; 2.5% from 31 March 1999 and 2.5% from 30 March 2000)	3000	28 months	2.8%
<i>Department of Industry, Science and Resources</i>	25/11/98	7% increase (4% from 3.9.98 followed by 3% from 1.7.99) plus a bonus of \$1100.	1500	18 months	4
<i>Department of Primary Industries and Energy</i>	16/7/98	6% increase (4% on 1.7.98 and 2% on 1.7.99)	1000	2 years	3%
<i>Department of Prime Minister and Cabinet</i>	1/10/98	Exec Levels/PMC Band 3, a 6.5% increase (3.5% from certification and 3% from 1 July 1999) APS 1-6/PMC Bands 1&2, a 7% increase (4% from certification and 3% from 1 July 1999) All levels receive a lump-sum payment of 1.5% on certification.	330	2 years	3.4%
<i>Department of Social Security</i>	27/3/98	5% increase (2% from 17 Dec 97, 2% from mid-98 contingent on agreed proposal for new structure, remuneration policy and performance management system, 1% on implementation of agreed proposal but no later than 1 Sep 98) plus \$550 bonus on certification	650	15 months	3.3%
<i>Department of the Environment</i>	18/8/98	5% increase (3% from 18/8/98 and 2% from 10/6/99) plus \$500 bonus	1250	16 months	3.8%

<i>Agency</i>	<i>Certified</i>	<i>Increases</i>	<i>Emp's</i>	<i>Duration</i>	<i>Increase pa.*</i>
<i>Department of the Treasury</i>	7/4/98	For non-SES staff a 3% increase on certification plus a bonus of 2% below Senior Officer level and 1.5% for Senior Officers. A second performance bonus for Senior Officers of \$1380 for Grade C and \$2250 for Grades A & B.	550	1 year	3%
<i>Department of Transport and Regional Development</i>	2/4/98	4.5% pay increase (3% from 5 Mar 98 and 1.5% from 1 Jan 99 contingent on intro of new classification structure. Plus \$500 bonus on certification.	780	17 months	3%
<i>Department of Veterans Affairs</i>	21/1/98	4% pay increase (from 13 Nov 97) plus 1.5% bonus on variation of the agreement to provide for Performance Review Framework	2,600	17-18 months	2.4%
<i>Department of Workplace Relations and Small Business</i>	10/3/98	7% pay increase (3.5% from 11 Dec 97 and 3.5% from March 99)	650	2 years	3.1%
<i>Family Court</i>	10/6/99	5.5% increase (3.5% from 1/4/99 and 2% from 8/7/99) plus \$300 bonus on certification	740	12-13 months	4.4%
<i>Federal Court of Australia</i>	20/10/98	5% increase (4% payable from 1.7.98 and 1% from 1.2.99) plus a \$1000 lump sum payment.	320	20 months	2.5%
<i>Great Barrier Reef Marine Park Authority</i>	4/12/98	Salary increase of 7.5 or 8% (4% for APS levels 1-6 or 3.5% for Exec Levels 1 & 2 from 10 Dec 1998 and 4% for all levels from 1 July 99) plus a bonus of \$800.	45	19 months	5%
<i>House of Representatives</i>	13/5/98	4% increase from 31 Mar 98, followed by a further 2% from 31 Mar 99 contingent on a performance rating of competent or better at the first round of performance assessments.	186	19 months	2.3%
<i>Human Rights & Equal Opportunity Commission</i>	25/8/98	4% increase (2% from 1 July 1998 and 2% from 1 July 1999) plus a bonus of \$1000 on certification.	120	16 months	2.7%
<i>Insolvency and Trustee Services Australia</i>	30/6/98	5% increase (3% from certification and 2% from June 1999) plus \$455 bonus.	270	2 years	2.5%
<i>Insurance and Superannuation Commission</i>	15/5/98	4.5% pay increase on 15 May 98 plus a \$1000 bonus for all eligible employees.	450	13-14 months	4%
<i>IP Australia</i>	10/6/98	8% increase (4% from 10/6/98, 2% from 1/10/98, 2% from 1/10/99) plus a productivity improvement bonus of \$730 on certification. Further productivity improvement bonuses on 1/10/98 and 1/10/99 related to productivity improvement achieved by the organisation.	750	18 months	5.3%
<i>Joint House Department</i>	26/5/98	6% pay increase (3% from 1 Mar 98 and a further 3% from 1 Dec 98)	305	18 months	3.3%
<i>Meat Inspectors – Australian Quarantine and Inspection Service (now replaced by second round ag't)</i>	10/11/97	21% average pay increase with translation to a new classification structure (this includes 13.4% for increased hours and cashing out of overtime and allowances)	1050	1 year	21%
<i>National Archives</i>	22/9/98	6% pay increase (4% from 9 July 1998 and 2% from 24 June 1999) plus a one-off bonus of \$500 payable on certification.	324	21 months	3%
<i>National Capital Authority</i>	4/12/98	5.5% increase (4% from 9 July 1998 and 1.5% from 1 July 1999) plus a bonus of \$500 for all non-Senior Officers and equivalents as at 2 July 98.	55	13 months	3.7%
<i>National Competition Council</i>	12/2/99	7% increase (4% from certification and 3% from 1/7/99) plus a bonus of \$1000.	18	2 years	3.5%

<i>Agency</i>	<i>Certified</i>	<i>Increases</i>	<i>Emp's</i>	<i>Duration</i>	<i>Increase pa.*</i>
<i>National Crime Authority</i>	2/7/98	5% increase (3% from 1 July 1998 and 2% from 1 July 1999) plus a \$600 bonus on certification.	230	18 months	3.3%
<i>National Film & Sound Archive</i>	9/9/98	6% increase (3% from certification and 3% from September 1999).	181	22 months	3.3%
<i>National Library of Australia</i>	16/10/98	6% increase (3% from 16.10.98 and 3% from 1 July 1999) plus a bonus of \$600.	500	2 years	3%
<i>National Museum of Australia</i>	12/4/99	6% increase (3% from 5.3.99 and 3% from 1.7.99) plus a bonus of \$600	102	14 months	4.5%
<i>National Native Title Tribunal</i>	3/9/98	8% increase (4% from 4/3/98, 2% from 29/12/98 and 2% no earlier than 3/9/99) plus \$500 bonus.	160	2 years	3.2%
<i>National Occupational Health & Safety Commission</i>	7/10/98	7% increase (4% from 23 July 98 and 3% from July 99) plus a \$600 bonus.	125	2 years	3.2%
<i>National Science and Technology Centre</i>	14/1/99	6% increase in base rates of pay (4% on certification and 2% on 1 December 1999).	80	2 years	3%
<i>National Transmission Agency</i>	23/2/98	4% pay increase (2% on cert. and 2% after six months) plus productivity and performance bonuses.	105	1 year	2.8%
<i>Office of Australian War Graves (Field Staff)</i>	26/3/98	4% pay increase on certification, plus \$700 bonus on certification, plus 2% bonus on variation of the agreement to provide for Performance Review Framework	40	15 months	3.2%
<i>Office of Film and Literature Classification</i>	24/11/98	7.5% increase (3% from certification, 1.5% after the implementation of the Performance Management system, 3% after agreement on further organisational change) plus bonuses of \$500 and 1.5% of salary at the date of certification.	28	2 years	3.8%
<i>Office of National Assessments</i>	6/5/98	4.5% pay increase (3% from certification and 1.5% when new performance management framework is intro) plus \$500 bonus on certification. Introduces an ONA community allowance that is equivalent to 1.5% of salary.	55	2 years	2.3%
<i>Office of Parliamentary Counsel</i>	20/4/99	8.52% increase from certification	36	2 years	4.26%
<i>Office of the Commonwealth Ombudsman</i>	1/10/98	5% increase (2% from 6/8/98 and 3% from 6/8/99 contingent on new WLS, classification structure and Performance Management Scheme being introduced by 31/12/98.) plus a bonus of \$500 payable on certification.	90	24 months	2.3%
<i>Parliamentary Library</i>	9/6/98	4% increase from 9 June 1998 plus a \$500 bonus.	216	25 months	2%
<i>Parliamentary Reporting Staff</i>	26/6/98	\$2500 increase in salary from 1/1/2000 plus bonuses totalling \$5,500 between June 1998 and January 2000.	280	2 years	3.4% Average
<i>Parliamentary Security Operational Staff</i>	28/7/98	4% increase from 6 August 1998.	140	17 months	2.8%
<i>Productivity Commission</i>	10/8/98	4.5% from 18/3/98 and 2% or \$1000 bonus. Access to a further 2% increase on 1/7/99 contingent on performance rating.	239	2 years	1.9%

<i>Agency</i>	<i>Certified</i>	<i>Increases</i>	<i>Emp's</i>	<i>Duration</i>	<i>Increase pa. *</i>
<i>Professional Services Review</i>	30/3/99	Up to 8 % pay increase (5% from 16/11/98 and 1% or 3% from 1/8/99) plus a bonus of 3.5% on certification. Second increase contingent on a satisfactory performance assessment and establishing a performance agreement.	33	21 months	Up to 3.8%
<i>Public Service and Merit Protection Commission</i>	26/11/97	3% pay increase from September or October 1997, \$400 after tax up-front payment and annual increments of 2-4% conditional on individual performance outcomes	152	19 months	1.6%
<i>Refugee Review Tribunal</i>	6/11/98	7.5% increase (4% from 1/7/98 and 3.5% from 6/11/99) and an increase of \$200 per year plus a bonus of \$600 on certification.	150	2 years	3.2%
<i>Royal Australian Mint</i>	28/4/98	6% pay increase (3% from certification and 3% 12 months later contingent on productivity improvement of at least 3%) plus \$500 bonus on certification.	128	20 months	3.6%
<i>Senate</i>	8/4/98	6% pay increase (4% from 8 Apr 98 and 2% from Nov 98 subject to the successful implementation of the Performance Communication Scheme and an individual assessment of effective or better)	239	15 months	4.8%
<i>Social Security Appeals Tribunal</i>	21/4/98	5% pay increase (2.5% from 21 Jan 98 and 2.5% from 21 Oct 98) plus a net bonus of \$570 on certification.	57	15 months	3.3%
<i>Torres Strait Regional Authority</i>	7/12/98	6% increase on certification plus a \$800 bonus.	30	19 months	3.8%
<i>Vietnam Veterans Counselling Service</i>	23/2/98	4% pay increase (from 13 Nov 97) plus 2% bonus on variation of the agreement to provide for Performance Review Framework	100	16-17 months	2.4%

SECOND ROUND AGREEMENTS IN THE APS AT 30 JUNE 1999

<i>Agency</i>	<i>Certified</i>	<i>Increases</i>	<i>Emp's</i>	<i>Duration</i>	<i>Increase p.a.*</i>
<i>Centrelink (second round)</i>	11/5/99	9% increase (2.5% from 13/5/99, 2.5% from 1/7/2000, 4% from 1/7/2001)	23000	3 years	3%
<i>Australian Customs Service (second round)</i>	17/6/99	9% increase (4% from 17/6/99, 2.5% from 1/1/2000 and 2.5% from 1/1/2001) plus a starting payment of between \$451 and \$1441 depending on classification)	4098	30-31 months	3.6%
<i>Meat Program Agreement (AQIS second round)</i>	23/6/99	3% increase from 24/6/99	442	1 year	3%

*does not include bonuses and the average annualised wage increase per agreement is calculated by dividing the total payrise in the agreement by the effective duration of the agreement (taking into account any periods of retrospectivity) and then multiplying that by 12.

TABLE 6: PUBLIC SERVICE WAGE DEVELOPMENTS

	Details of awards and agreements	Emp's	Duration
APS	As of 30 June 1999, there were 98 current certified agreements in the APS including three second round agreements. The new 1999 Parameters were released on 17 May 1999, and are designed to devolve further flexibility for agreement making to the APS agencies.	121,000	variable
NSW	The <i>Crown Employees (Public Sector Salaries June 1997) Award</i> provides a 16% pay increase: 1% from the first pay period after 1/7/97 (funded through corporate services savings); 3% from 1/7/97 (funded); 2% from 1/1/98 (funded through identified savings); 3% from 1/7/98 (funded) plus 2% (funded through savings); and 3% from 1/1/99 (funded) plus 2% (funded through savings).	63,000	3 years (Jan 97 - Dec 99)
VIC	Nine departments and agencies are covered by agreements negotiated under the Victorian Public Service Enterprise Bargaining Policy, which provides for a 7.5% pay adjustment over 2 years to March 2000. On 13 May 1999, the AIRC president decided that negotiations for the remaining 16 departments and agencies should be considered by a Full Bench.	20,800	2.5 years (Sept 97 - Mar 00)
QLD	The Queensland IRC certified a framework agreement covering core government departments on 18 April 1997. Wage increases of up to 12% (9% supplemented) over three years are available, including 2% from 1/1/97 and 2% upon certification of an agency agreement. The timing and quanta (up to 8%) of the remaining increases are to be determined at the agency level.	28,000	3 years (Jan 97 - Dec 99)
WA	The Government's Wages Policy and Workplace Bargaining Guidelines, which came into effect on 1/7/97, provide for individual agency agreements with an aggregate wage outcome across the public sector of 3.5% per annum over two years. New guidelines are currently being developed to operative from 1/7/99 to 30/6/01.	26,700	2 years (to June 99)
SA	Wages parity agreements have been agreed between the parties and the outcome of a ballot of employees was in favour of the agreements. They are now awaiting approval by the relevant commissions. The agreement provides for increases of 3% on 1/10/99 and 1/10/2000, with a final increase proposed for 1/10/2001 on a differential basis, with 4% provided for lower paid workers, 3% for middle ranked, and 2% for higher paid workers.	34,000	3 years (to Oct 01)
TAS	Public sector employees (excluding teachers, nurses, police and firefighters) are covered by a 34 month agreement expiring 31 October 2000. The agreement provides for an unconditional increase of 5.5%: the greater of 1.5% or \$9 from 1/7/98, the greater of 1% or \$6 from 1/1/99, 1.5% from 1/7/99 and 1% from 1/7/00.	13,980	23 months (Jan 98 - Oct 00)
NT	Public sector employees in the NT are covered by a single enterprise agreement except for teachers, police, medical officers and Darwin Port Authority. The agreement provides a fully supplemented increase of 7% made up of 4% from August 1997 and 3% from August 1998.	14,500	2 years (Aug 97 - Aug 99)
ACT	A large number of agreements delivering average pay increases of 10.1% (4% average annual increase) were negotiated for a 30 month period in 1996. Most of these agreements formally expired on 30 September 1998, but 20 remain in place. Staff/union negotiation for new agreements is under way.	16,935	Mainly 30 months (Apr 96 - Sep 98)

Source: Workplace Reform Group, DEWRSB, and State and Territory agencies.

TABLE 7: APS SES REMUNERATION SURVEY, 31 DECEMBER 1998

Aggregate APS Data

	25% Quartile	50% Quartile (Median)	75% Quartile	Mean	Average Prop. of Package	Average Prop. of Total Reward	No of Officers
SES Band 1							
Base Salary	\$83,464	\$87,441	\$88,902	\$86,132	72	70	826
Superannuation	\$16,243	\$17,850	\$19,311	\$17,142	14	14	826
Vehicles (including parking)	\$13,665	\$15,279	\$17,832	\$15,861	13	13	822
Air Lounge	\$174	\$175	\$185	\$172	0	0	507
Other ⁽¹⁾	\$447	\$447	\$1,347	\$1,148	1	1	379
Travel- Accompanied							
Domestic	\$1,623	\$1,623	\$1,942	\$1,970	2	2	257
Overseas	\$1,600	\$1,600	\$7,166	\$3,763	3	3	15
Total Remuneration Package	\$116,511	\$120,952	\$123,663	\$120,371	100	97	826
Bonus/Reward	\$3,138	\$4,291	\$6,484	\$4,716	4	4	565
Total Reward Remuneration	\$118,566	\$124,158	\$127,956	\$123,597	-	100	826
SES Band 2							
Base Salary	\$102,597	\$106,055	\$108,766	\$105,261	73	71	242
Superannuation	\$19,022	\$21,471	\$23,500	\$20,889	14	14	242
Vehicles (including parking)	\$14,942	\$15,753	\$18,132	\$16,387	11	11	242
Air Lounge	\$175	\$175	\$185	\$176	0	0	166
Other ⁽¹⁾	\$447	\$500	\$2,378	\$1,461	1	1	87
Travel- Accompanied							
Domestic	\$1,623	\$1,623	\$3,500	\$2,224	2	1	55
Overseas	\$4,815	\$7,655	\$8,146	\$6,480	4	4	4
Total Remuneration Package	\$138,995	\$144,773	\$148,841	\$143,796	100	97	242
Bonus/Reward	\$3,942	\$5,173	\$9,080	\$6,563	5	4	179
Total Reward Remuneration	\$142,853	\$149,937	\$155,024	\$148,651	-	100	242
SES Band 3							
Base Salary	\$123,723	\$127,021	\$130,193	\$127,266	74	72	67
Superannuation	\$24,107	\$26,017	\$27,650	\$25,360	15	14	67
Vehicles (including parking)	\$16,035	\$17,469	\$20,481	\$18,009	10	10	67
Air Lounge	\$175	\$175	\$185	\$184	0	0	50
Other ⁽¹⁾	\$445	\$720	\$4,000	\$1,743	1	1	22
Travel- Accompanied							
Domestic	\$1,500	\$1,942	\$3,500	\$2,367	1	1	15
Overseas	\$6,586	\$7,443	\$8,299	\$7,443	4	4	2
Total Remuneration Package	\$165,724	\$173,410	\$177,358	\$172,096	100	97	67
Bonus/Reward	\$4,711	\$5,450	\$10,000	\$7,812	4	4	47
Total Reward Remuneration	\$167,033	\$177,585	\$185,387	\$177,576	-	100	67

Note : (1) Other includes memberships other than airlines, telephone, mobile phone and other entitlements.