

Information note—

Piece rate data from Brent McClintock and Anthony Kelly

This note provides a summary of the data on piece rate payments provided as evidence by Brent McClintock and Anthony Kelly to the Horticulture Award matter.

Both datasets contain information on the number of hours worked per day, the number of bins collected, and the pay rate per bin. The data from McClintock contained 3350 observations for March, April and May in each of 2019, 2020 and 2021,¹ while the data from Kelly contained 495 observations for March 2021.

1 Data from Brent McClintock

The piece rate payment can be derived by aggregating the total value of the bins collected for each worker. The hourly piece rate is calculated by dividing the total daily piece rate payment by the number of hours worked. The target hourly rate for piece rate workers is the *Horticulture Award 2020* Level 1 casual rate multiplied by 1.15.²

The Level 1 casual rate for these periods were:

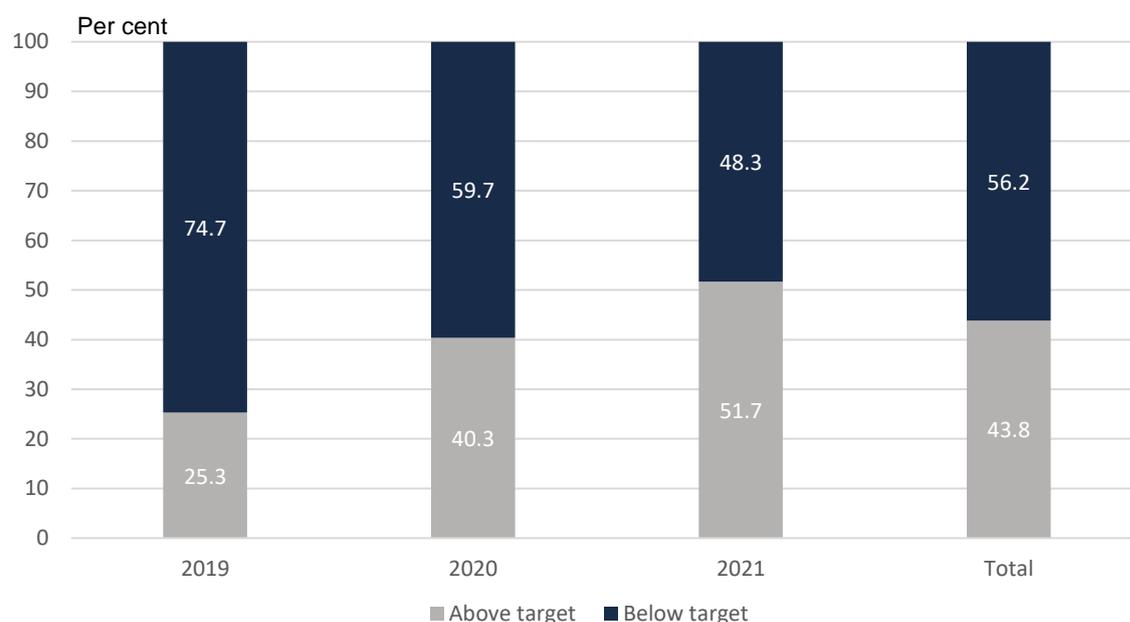
- \$23.66 in 2018–19;
- \$24.36 in 2019–20; and
- \$24.80 in 2020–21.

Analysis of the 3350 days worked, covering 22 490 hours worked, provided by McClintock shows that over half of piece rate payments (56 per cent) were below the piece rate target (Chart 1).

- In 2019, there were 534 days worked covering 3531.5 hours, with around three-quarters of payments below the target rate—the highest proportion in the period.
- In 2020, there were 1079 days worked covering 7121.3 hours, with around 6 in 10 payments below the target rate.
- In 2021, there were 1737 days worked covering 11 837.4 hours, with less than half (48 per cent) of payments below the target rate.

¹ The Brent McClintock data for 2021 also included observations from June.

² Section 15.2 (a) of the *Horticulture Award 2020* states that the piecework rate fixed by agreement between the employer and the employee must enable the average competent employee to earn at least 15 per cent more per hour than the minimum hourly rate prescribed in this award for the type of employment and the classification level of the employee.

Chart 1: Proportion of piece rate payments above the piece rate target

Source: Fair Work Commission calculations based on data provided by Brent McClintock.

Average and median hourly piece rates from the data provided by McClintock are compared with the relevant target hourly rates for 2019, 2020 and 2021 in Table 1.

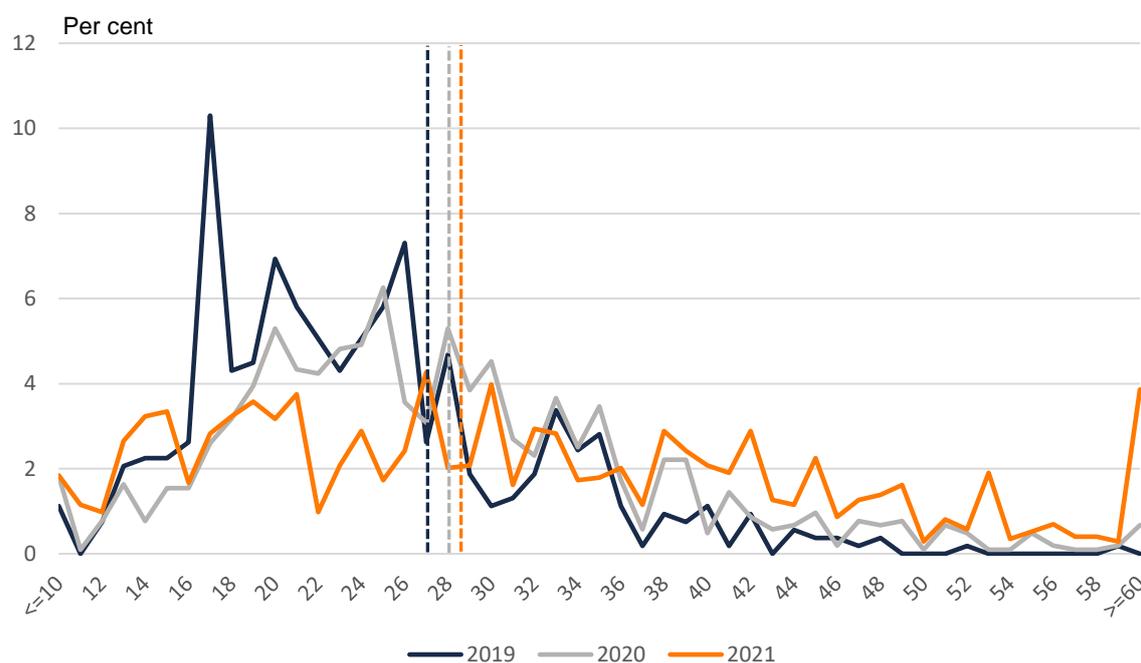
Both the average and median hourly piece rates were below the target hourly rate in 2019 and 2020. However, this was not the case in 2021, where both the average and median were above the target hourly rate (Table 1).

Table 1: Hourly piece rate, 2019 to 2021

	2019 (\$)	2020 (\$)	2021 (\$)
Average hourly rate	23.69	27.22	30.71
Median hourly rate	22.44	25.60	29.03
Target hourly rate	27.21	28.01	28.52

Source: Fair Work Commission calculations based on data provided by Brent McClintock.

Chart 2 compares the distribution of hourly piece rate earnings across each year. While the earnings distribution was more concentrated below the respective target hourly rates in 2019 and 2020, this was not the case in 2021 where the distribution was relatively uniform.

Chart 2: Distribution of hourly piece rate earnings, 2019 to 2021

Note: The dotted lines show the target hourly rate for 2019, 2020, and 2021.

Source: Fair Work Commission calculations based on data provided by Brent McClintock.

2 Data from Anthony Kelly

Kelly uses 3 groups of workers covering different weeks in March 2021 (Chart 3).

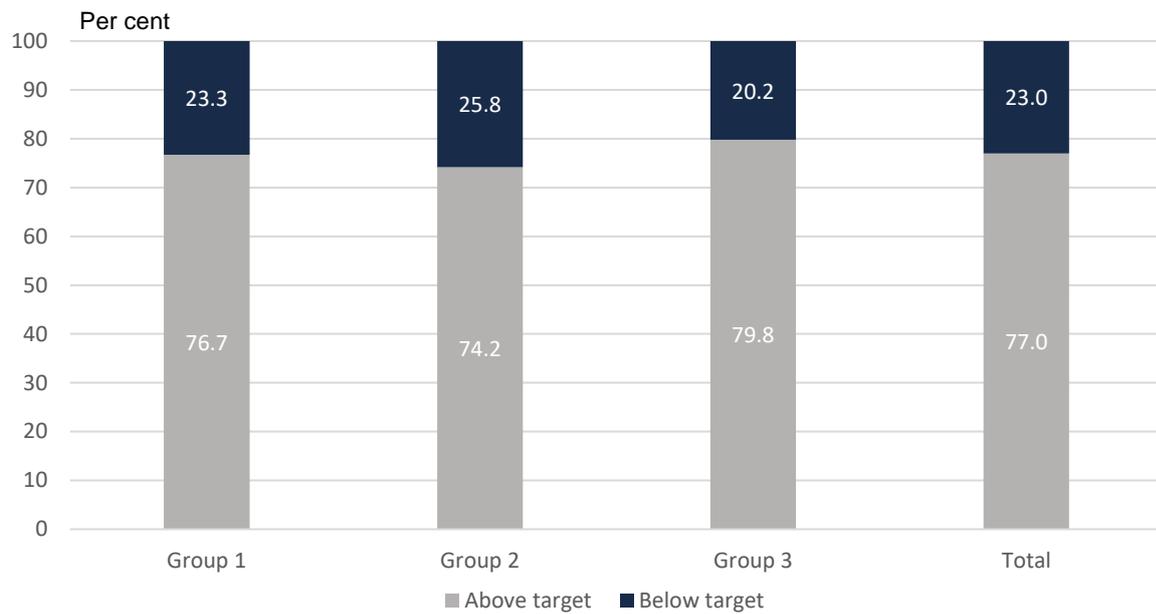
For Group 1 workers (covering the period from 9 to 16 March 2021) – there were 116 shifts worked³ covering 784 hours, with 77 per cent of piece rate shifts paid above the target for. This was confirmed by Commission staff.

For Group 2 (covering the period from 17 to 22 March 2021) – there were 186 shifts worked covering 873.3 hours, with 74 per cent of piece rate shifts paid above the target. This was also confirmed by Commission staff.

For Group 3 (covering work from 23 to 30 of March 2021) – there were 193 shifts worked covering 1146 hours, with 80 per cent of piece rate shifts paid above the target. This differs from Kelly's calculations as 6 piece rate shifts from 31 March 2021 are excluded from his analysis. Commission calculations revealed that 4 of these shifts were below the target rate. When all groups are combined, Commission staff find that 77 per cent of piece rate shifts were paid above the target rate.

³ Workers may work more than 1 shift.

Chart 3: Proportion of piece rate payments above the piece rate target, Groups 1 to 3 and total



Source: Fair Work Commission calculations based on data provided by Anthony Kelly.