8 March 2002

The Hon. Justice Giudice
President
Australian Industrial Relations
Commission
80 Collins Street
MELBOURNE 3000

By Facsimile: 03 8650 3354

Dear President,

C.Nos.4617 of 2001 and ors – Applications to Vary awards re Living Wage Case Matters (s.108 references)

Please find attached correspondence between ACCI and the ACTU this week regarding additional information on the survey included in our recent written submission.

Yours faithfully,

Scott Barklamb
Manager – Labour Relations
8 March 2002

Mr Andrew Watson
Senior Industrial Officer
ACTU
393 Swanston Street
MELBOURNE 3000

By Facsimile: 03 9663 4051

Dear Mr Watson,

Re: C.Nos.4617 of 2001 and ors – Applications to Vary awards re Living Wage Case Matters (s.108 references)

Thank you for your letter of 5 March 2002 regarding the ACCI survey on the safety net (Section 4, and Attachments 5 and 6 of ACCI’s recent written submission).

We have examined your request for additional information, and are pleased to provide the following.

The Survey on the Safety Net was attached as a supplementary questionnaire on the ACCI Survey of Investor Confidence in September/October 2001, which is published on a quarterly basis. Attaching the supplementary survey to the routine questionnaire means those that answered the routine part of the survey, for the most part, also continued on with the supplementary section. This method of attaching a supplementary survey negates the self-selecting problems that can arise with random sample surveys. The Survey of Investor Confidence is issued to ACCI member organizations to distribute using their membership data. ACCI has now, at the request of the ACTU, attempted to quantify the exact number of survey forms sent out by our members.

There were 1165 surveys issued by members in the normal fashion (postal) of which there were 306 responses. South Australia, however, experimented with the delivery method and sent out the survey in an email form. They estimate they sent out 1,000 emails successfully, though many respondents indicated that they had errors with or problems opening the attachments. This resulted in a low response rate from South Australia.
The total number of returns from SA numbered 75, though it must be stressed that the exact number of people who received the email version who had a viable attachment remains unknown. It is ACCI’s view that the normal distribution method and the associated response rates, which make up the bulk of the returned surveys, should be used to gauge the survey results.

The total number of responses to the survey was 381. Breaking this down by the supplementary questions we have:

- QUESTION 1 – 357
- QUESTION 2 – 348
- QUESTION 3 – 343
- QUESTION 4 – 353
- QUESTION 5 – 354
- QUESTION 6 – 352.

The data from respondents generally reflects the numbers and sizes of firms in the industries that make up the Australian economy, but since the survey is based on a random sample some variation away from the normal concentrations of firms can occur. The post-stratification system employed by ACCI seeks to remove industry and size overrepresentations in the data. This ensures that no one industry or size classification can skew the results away from what would result if all firms were covered.

The firm size categories that are used are small, medium and large businesses. For the purpose of our surveys small businesses are those that employ less than 20 employees, medium firms are those from 20 to 99 employees and large 100 employees or more.

This post-stratification process using the knowledge of the actual distribution of firm sizes within industries and the relative share of individual industries improves the accuracy of the estimates derived in the survey. The post-stratification process therefore removes any bias that may have resulted from the random sampling process capturing too many of a particular group of respondents.

The first process that is undertaken is to generate the frequencies for each question by industry and by size. This data is then scaled using the benchmarking data to weight the proportions of responses to each question.

This entails calculating the proportion of each possible answer category for each question by the industry and the size of firm. Then each of these frequencies are weighted and then each category is summed to give a final weighted average proportion for each of the possible answer categories given to respondents.
The weighting data is provided by the ABS and comes by broad industry classifications (i.e. to the one digit level using the ANZIC codes) by our size classifications. This ensures that our data reflect the relative importance of particular industries and sizes within these industries in the national economy.

ACCI stands firmly by the validity of our survey work as can be gauged by the accuracy and reputation of our other economic data. We are only too happy to provide information on our surveys.

We in turn seek your assistance on how you arrived at the average increase data presented in (for example) the first table of Table 1.1. An indication as to how you arrived at the averages of between 4.5% and 3.8% would be welcome prior to addressing our reply. If possible, we would appreciate receiving this detail with your reply submission on 20 March 2002.

If you require any other information on this survey our Chief Economist, Dr Steven Kates, will be happy to oblige.

Yours faithfully,

SCOTT BARKLAMB
Manager – Labour Relations
5 March, 2002

Mr Scott Barklamb
Manager, Labour Relations
ACCI
P O Box 18008
Collins Street East
MELBOURNE VIC 8003

Fax No: (03) 9668 9958

Dear Mr Barklamb,

Re: Living Wage Case

We note that in its submissions the ACCI places reliance on the results of a survey regarding, inter alia, safety net adjustments: see Chapter 4 and Attachments 5 and 6 to the ACCI submission.

We note that the ACCI has not provided basic information necessary to assess the validity of the survey results.

We should be pleased if the ACCI would provide the following information regarding its questionnaire by 5pm, 7 March 2002:

- The number of firms to whom the survey was provided;
- The number of firms who responded to the survey;
- The number of firms who responded to each of the questions in the survey; and
- Details of the weighting referred to in paragraph 4.17 of the ACCI submission.

PRESIDENT
Sharan Burrow
SECRETARY
Greg Combet
Failing the provision of such information by the date and time requested the ACTU reserves its rights to:

(a) object to the reliance by the ACCI on any material associated with the survey;

(b) seek production of relevant documentary material by means of a summons; and/or

(c) seek to cross-examine the person or persons who conducted the survey.

We look forward to prompt receipt of the requested documentation.

Yours faithfully,

ANDREW WATSON
Senior Industrial Officer
19 March 2002

The Hon. Justice Giudice
President
Australian Industrial Relations
Commission
80 Collins Street
MELBOURNE 3000

By Facsimile: 03 8650 3354

Dear President,

C.Nos.4617 of 2001 and ors – Applications to Vary awards re Living Wage Case Matters (s.108 references)

Please find attached further correspondence between ACCI and the ACTU regarding additional information on the survey included in our recent written submission.

Yours faithfully,

SCOTT BARKLAMB
Manager – Labour Relations
12 March, 2002

Mr S. Barklamb  
Manager – Labour Relations  
ACCI  
P O Box 18008  
Collins Street East  
MELBOURNE  VIC  8003  

Fax No: (03) 9289 5250

Dear Mr Barklamb,

Re: Living Wage Case

I refer to your letter of 8 March 2002. In relation to the ACCI survey would you please provide the following information:

- Copies of covering letters and/or emails sent out with the survey;
- Details regarding the basis of selection of respondents to the Survey of Investor Confidence; and
- Precise details of the weighting exercise utilised by the ACCI.

In relation to the latter request we note that your letter of 8 March 2002 provided general information but does not provide specific information regarding the numbers of firms placed in particular stratification cells for the weighting process. In particular we should be pleased if you would advise whether any of the stratification cells have a null entry and what number of cells have a number of firms less than 10 contained within them.

We look forward to your prompt response.

Yours faithfully,

ANDREW WATSON  
Senior Industrial Officer
15 March 2002

Mr Andrew Watson
Senior Industrial Officer
ACTU
393 Swanston Street
MELBOURNE VIC 3000

By Facsimile: 03 9663 4051

Dear Mr Watson

Re: C.Nos.4617 of 2001 and ors – Applications to Vary awards re Living Wage Case Matters (s.108 references)

Thank you for your letter of 12 March 2002 regarding the ACCI survey on the safety net (Section 4, and Attachments 5 and 6 of ACCI’s recent written submission).

We have examined your request for additional information and are pleased to provide the following.

• The covering letter from the October Survey of Investor Confidence is attached.

• In response to your query, the selection of respondents is a random sample of our members’ members.

• The weighting process can be summarised using the attached hypothetical table and the methodology is explained below.

As set out in the first general letter, the first task we undertake is to generate the frequency count by industry by size category by response.

Expanding on this and using the table attached the second step is to generate the frequency by each industry by each employment group for each of the answers available to respondents. Then each of these frequencies is multiplied by the industry weight and by the size category weight. This then gives the final column of figures in the table. This final column is then summed by response category to give the final weighted results.
In response to your query about cells that would have a low count we report that there were such occurrences. While this was not a problem for questions 1, 2 and 3, questions 4, 5 and 6 did have small values in cells. In particular, for questions 4 and 5 response 1 (up) and 3 (down) all of these cells were recorded at less than ten responses at the industry by size breakdown. Likewise, in the 'yes' responses for question 6 all cells had ten or fewer responses when broken down by industry since the amount of respondent who indicated yes was a relatively low number of responses. The number of responses for these cells was not specifically controlled for.

We also report that there were null cells in question 4, 5 and 6 for the areas of the question where the number of responses was low. Where there were null cells the remaining value was scaled up to represent the industry.

Yours faithfully

SCOTT BARKLAMB
Manager – Labour Relations
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<th>Size</th>
<th>Response</th>
<th>Frequency Count</th>
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<th>Employment Weight</th>
<th>Frequency by Industry by Employment Group</th>
<th>Weighted Frequency</th>
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</table>

Response 1: 11.0
Response 2: 78.1
Response 3: 10.8

Response 1: 24.5
Response 2: 52.5
Response 3: 23.0
SURVEY OF INVESTOR CONFIDENCE

By now the attached questionnaire should be familiar to most respondents to this survey. And we apologise for any inconvenience there may be in completing this questionnaire every three months.

But the information gathered is invaluable in allowing us to present the concerns of the business community to decision makers whether in the government, the public service or industrial tribunals.

**Surveys are usually time consuming – this one is not.** This questionnaire is designed so that it can be completed in no more than five minutes.

But although quick to complete, the results of this survey will provide critically important information about the condition of Australian industry and about the specific concerns of employers. And it will provide this information in a way which decision makers will readily understand.

Most importantly in this survey are the supplementary questions on the effect that safety net increases have had on your business. The answers to these questions will be used during the Safety Net hearing next February. Please therefore answer these questions as accurately as possible.

The data collected are completely confidential. No information which can be used to identify individual firms is sought. All individual results will be held in strictest confidence. But your contribution is invaluable to making this survey a success.

If this is to be a credible survey, it is important that there is a strong response from industry. We therefore request that you complete the questionnaire at your earliest opportunity and return it by **September 21**.

Your assistance in providing an employer data base is greatly appreciated.