2. Wages Update

Introduction

2.1 Award workers are falling behind the rest of the community in terms of wage increases. Most have seen their living standards go backwards in the last two years. This chapter analyses recent and longer term trends in wage movements. The key findings are:

- Award wages have failed to keep pace with community wage movements

- An estimated 82% of all award workers received a real wage cut last year (79% for private sector award workers) with more than 60% of award employees earning below C10 receiving an increase insufficient to keep pace with the cost of living. Over the last two years 81% of award only workers and 80% of private sector award only workers have received a real wage cut.

- Since 1983 the C14 and C10 wage rates have fallen markedly as a percentage of AWOTE.

- The C10 wage rate as a percentage of AWOTE is now only slightly above the C14 wage rate as a percentage of AWOTE in 1983.

2.2 These findings confirm that the lowest paid are receiving the lowest pay increases entrenching and exacerbating the division between the low paid on award rates and the rest of the community.
2.3 In Appendix A we consider in some detail the various measures of wage growth for the Australian economy and sectors within it. The main conclusions of this section are:

- In utilising the various wage measures it is important to bear in mind the purpose for which they are being used;

- Whilst the Wage Cost Index provides a useful indicator of wage costs, the wages bill measures (AWOTE, AENA, AWE) provide the best indicator of movements in living standards (ie of wages as earnings).

**Trends in Wages Growth in the Australian Economy**

*Average Weekly Earnings*

2.4 Figure 2.1 below plots the movement in the three main wages-bill series derived from the ABS’s quarterly *Average Weekly Earnings Survey*: Average Weekly Ordinary Time Earnings for full time adults (AWOTE), Average Weekly Total Earnings for full time adults (AWE) and Average Weekly Total Earnings for all employees (AWE Total earnings). There is clear divergence between the series which cover only full-time adults, and the all employee series. This divergence has been particularly pronounced since the early 1990s, with the total earnings series growing at a slower rate largely due to the rise in the share of part-time employment.
2.5 Over the history of the survey (since 1983 in its current form), AWOTE and AWE for full-time adults have increased at average annual rates of 5.0 per cent and 4.9 per cent respectively. In comparison with this, the Total Earnings measure of all employees has increased at an average annual rate of 4.3 per cent.

2.6 Over the past decade, each of the series has moderated slightly from their long-term average, although they each still exhibit quite stable and consistent long term trends.

2.7 Data from the most recent, August 2001 survey, show that AWOTE and AWE for full-time adults increased by 1.4 and 1.3 per cent respectively, seasonally adjusted, during the August quarter, and were 5.1 and 4.3 per cent higher than at the same time a year earlier. This represents a reduction on the growth in each of these
series over the year to August 2000, which recorded increases of 6.1 and 6.0 per cent respectively.

2.8 The August 2001 survey also suggests a moderation in the rate of growth in the AWE Total Earnings for all employees measure. Total earnings increased by 1.3 per cent in seasonally adjusted terms during the August quarter 2001, to be 4.0 per cent higher than at the same time a year earlier. This compares with a 6.8 per cent increase in the series over the year to August 2000.

2.9 Using the trend measure for these series shows a lower level of volatility in the indicators of the past year compared with the seasonally adjusted data above. The trend data is summarised in Table 2.1 below.

Table 2.1: Changes in Average Weekly Earnings – Trend measure

<table>
<thead>
<tr>
<th></th>
<th>August 2000</th>
<th>August 2001</th>
<th>August 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% change on</td>
<td>% change on</td>
<td>% change on</td>
</tr>
<tr>
<td></td>
<td>year earlier</td>
<td>previous quarter</td>
<td>year earlier</td>
</tr>
<tr>
<td>AWOTE - Full Time Adults</td>
<td>5.3</td>
<td>1.6</td>
<td>5.4</td>
</tr>
<tr>
<td>AWE - Full Time Adults</td>
<td>4.9</td>
<td>1.6</td>
<td>4.9</td>
</tr>
<tr>
<td>AWE Total Earnings - all employees</td>
<td>5.6</td>
<td>1.4</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Source: ABS Cat No. 6302.0

Average Earnings on a National Accounts Basis (AENA)

2.10 The National Accounts measure of average non-farm compensation per employee (otherwise known as Average Earnings on a National Accounts Basis - AENA) has been published since 1972. Figure 2.2 shows annual growth in AENA since that time.
2.11 Average growth in the series since 1983 has been 4.9 per cent per annum, broadly in line with the AWE series.

**Figure 2.2: Growth in the AENA wages measure – 1972 to 2001**

Source: ABS Cat No. 5206.0

2.12 The AENA measure of wages grew by 0.6 per cent during the September 2001 quarter, to be 3.9 per cent higher than at the same time a year earlier, in seasonally adjusted terms. In trend terms, the AENA measure has increased 1.0 per cent in the September quarter to be 4.5 per cent higher than at the same time a year earlier.

*Wage Cost Index*

2.13 Over the life of the WCI series (first published in September 1997), the index of Total Hourly Rates of Pay, Excluding Bonuses for all employees has increased at an average annual rate of 3.2 per cent, with public sector wage rates growing slightly faster than those in the private sector (3.4 per cent vs. 3.1 per cent respectively), as
shown in Figure 2.3. This is less than the increases in the AWOTE and AWE series over the same time. Since September 1997, AWOTE and AWE for full time adults have increased at an average annual rate of 4.2 per cent and 3.8 per cent respectively.

Figure 2.3: Wage Cost Index – Total Hourly Rates of Pay, excluding bonuses – September 1997 to 2001.

Index = Sept. 1997 = 100.0

Source: ABS Cat No. 6345.0

2.14 The most recent WCI data for the September quarter 2001, has seen total hourly rates of pay, excluding bonuses increase by 1.1 per cent during the quarter to be 3.6 per cent higher that at the same time a year earlier, compared with the 3.4 per cent increase recorded over the year to the September quarter 2000.

Agreements

2.15 Wage trends in enterprise bargaining can be obtained from two sources. The Department of Employment and Workplace Relations (DERW) produces the *Trends in Federal Enterprise Bargaining*
Report. This source reports average annualised wage increases per employee. ACIRRT produces the Agreements Database and Monitor Report (ADAM). This source reports average annual percentage wage increases per agreement.

2.16 Figure 2.4 shows wage trends in enterprise bargaining agreements as reported by ACIRRT based on its ADAM database.

**Figure 2.4: Average Annual Percentage Wage Increases in Enterprise Agreements: Quarterly Results: December 1996 – September 2001**

2.17 Since the last Case, quarterly average annual Percentage wage increases have been:

- December 2000: 4.2%
- March 2001: 3.7%
- June 2001: 4.3%
- September 2001: 4.0%

2.18 The DEWR Trends in Federal Enterprise Bargaining Report, in addition to wage trends, also provides detail on number of employees covered by all current federal enterprise agreements. As
Figure 2.5 shows, since the last Case, the coverage of employees under federal enterprise bargaining agreements has increased by 74,000 employees from 1,288,100 to 1,362,100 employees.

2.19 Average Annual Wage Increases per employee in the Trends in Federal Enterprise Bargaining Report are produced for agreements certified in the quarter, and for all current agreements.
2.20 Figure 2.7, which presents the DEWR data for all current agreements, shows an upward trend since June 2000.

2.21 Quarterly results, from both sources, show an increase in wage outcomes from enterprise bargaining. ADAM results for the last year show enterprise bargaining is producing average annual Percentage
wage increases around or above 4%. DEWR Workplace Agreements Database results show a shift upward to 3.9% for agreements certified in the last two quarters and to 3.7% for all current agreements.

Management / Executives

2.22 The latest issue of the Mercer Cullen Egan Dell, Quarterly Salary Review, for December 2001, shows that the remuneration of management and executives continues to outpace the growth of wages generally throughout the community.

2.23 The overall trend in ‘Total Remuneration’ amongst those occupations surveyed increased by 4.5 per cent over the year to December 2001, up slightly from 4.4 per cent recorded over the same period to December 2000.

2.24 In ‘Base Salary’ terms, the overall trend also increased by 4.5 per cent through the year to December 2001, up from 4.3 per cent a year earlier.

2.25 Remuneration of those in ‘Senior Management’ continued to grow at an even faster rate, increasing by 5.0 per cent over the year to December 2001, compared with 4.4 per cent a year earlier.

2.26 Another survey of prevailing executive salaries is conducted by the Australian Financial Review on a yearly basis. In its most recent survey, the Financial Review reported that salaries of Australia’s top chief executives rose 13.4 per cent during 2001 – with the country’s 150 top executives of public companies earning an average cash remuneration of $1.3 million per annum.
Further, the survey found that after inclusion of a larger than usual number of retirement and termination payouts to chief executives, this lifted the average package increase to 25.9 per cent during the year.

The latest increase comes on the back of a 22 per cent increase over 2000.

The Financial Review reports that, Australian chief executives are now the third-highest paid in the world, behind the US and UK, with their average annual package including options and bonuses, soaring 73 per cent over the past two years.

All of this has occurred at the same time as many companies were experiencing falling share prices and reduced profit margins.

Remuneration Tribunal Determinations

The Commonwealth Remuneration Tribunal is responsible for determining the remuneration, including allowances and entitlements, of members of Federal Parliament, Judges of federal courts, most full-time and part-time holders of public offices and Principal Executive Officers.

“The Tribunal advises boards and ministers on the remuneration of chief executive officers of certain government business enterprises. The Tribunal also advises the Prime Minister on the remuneration of Secretaries of Departments and Ministers on the remuneration of Heads of Executive Agencies.

There are two distinct features in the role of the Tribunal.

It is responsible for determining or reporting on the rates of
remuneration for the offices in its jurisdiction at intervals of not more than one year. In undertaking its functions, it is required to have regard to the Principles of Wage Determination and National Wage Case decisions, from time to time, by the Australian Industrial Relations Commission.

Since 1994, the Tribunal has reviewed these offices using a group by group approach and spaced the reviews throughout the year.

Its second role is to classify individual offices within the structure that has been established. From time to time it is required to exercise this role in relation to most groups in its jurisdiction.”


Judicial Offices

2.32 In its most recent determination relating to holders of judicial office (Determination 2001/23), the Commonwealth Remuneration Tribunal, awarded holders of judicial office an average increase of 4.0 per cent with effect from 1 October 2001. This follows its previous determination which increased rates by 4.6 per cent, with effect from 1 October 2000.

2.33 In arriving at its determination, the Tribunal considered a number of prevailing wage measures available, including the WCI, Federal Agreements (AAWI), and executive remuneration, and concluded that a 4.0% increase for Judges would be: “consistent with the trends for executive and community wage outcomes”
2.34 This increase would appear broadly in line with that awarded earlier in the year to Members of Parliament, and Principal Executive Officers (PEOs).

Principal Executive Officers (PEOs)

2.35 The latest Remuneration Tribunal determination in relation to PEOs (Det. 2001/16), came into effect on 1 July 2001.

“The Tribunal is required to adjust the maximum Total Remuneration of the PEO bands on and from 1 July each year to ensure that the PEO bands keep pace with current market remuneration trends.

... The Tribunal has also adjusted the reference salaries contained within the PEO bands. ... The reference salaries, unlike the PEO bands, are a measure of cash salary only.

In undertaking both reviews and deciding on an appropriate adjustment, the Tribunal has taken into account factors including (but not limited to):

Key Economic Indicators;

Specific indicators such as the Wage Cost Index (WCI) series;

Wage outcomes in the public and (to a lesser degree) private sector; and

The principles of wage determination and decisions of the
Australian Industrial Relations Commission.

... 

After taking into account the relevant indicators the Tribunal has determined that both adjustments (PEO band maximums and reference salaries) should be increased by 3.9%. The actual increase may be slightly higher due to the effects of rounding (all numbers are rounded up to the nearest $100).”

[Remuneration Tribunal, Statement on Principal Executive Office (PEO) Holders, Determination 2001/16]

2.36 Further, the Tribunal determined that a PEO’s employing body can vary a PEO’s remuneration by up to 5 per cent within these pay bands during the 2001-02 financial year, without reference to the Tribunal, where productivity or work-value changes can be demonstrated.

“This variation is consistent with the projected growth in remuneration for Chief Executive Officers in both the private and public sectors in the 2001-02 financial year.”

[Remuneration Tribunal, Statement on Principal Executive Office (PEO) Holders, Determination 2001/16]

Senators and Members of Parliament

2.37 Following the decision of the Remuneration Tribunal in December 1999, the pay levels of Senators and Members of Parliament for 2001-02 have been effectively set in line with that awarded to PEOs. In August 2001, MPs and Senators received a 3.9 per cent increase in base salaries, backdated to 1 July 2001. This increase brings the wage of a backbencher to $92,600 p.a. a rise of $3600. The Prime
Minister received an additional $9360 pa, to take his yearly base salary to $248,560.

Comparing Recent Trends in Wages Growth

2.38 Figure 2.8 below compares the growth in the main wage-bill measures of aggregate economy-wide wages growth (AWOTE and AENA), with the general trends in enterprise bargaining – as measured by the DEWR measure of Average Annualised Wage Increases per employee (AAWI), for newly certified agreements. Although all three measures do show some variability from quarter to quarter, they all exhibit quite solid and similar long term trends.

Figure 2.8: Quarterly Wage Movements: September 1992 to 2001

Source: ABS Cat Nos. 6302.0 and 5206.0 and DEWR

2.39 Since September 1992, AWOTE, AENA and AAWI have each respectively grown at average annual rates of 4.7, 4.1 and 4.9 per cent. The slightly lower growth in the AENA series reflects growth in the share of part-time employment, included in that measure.
2.40 It is only possible to compare the WCI to the other series over a much shorter time span. Since the introduction of the WCI, the AWOTE, AENA and AAWI series have shown similar trends increasing average annual rates of 4.3, 3.9, and 4.0 per cent respectively since 1997 (as shown in figure 2.9 below).

2.41 In comparison, the Wage Cost Index (WCI) measure has increased by a slightly lower rate of 3.4 per cent per annum on average over the same period.

![Figure 2.9: Annual wage trend comparisons - 1997 to 2001 (September quarter)](image)

Source: ABS Cat. Nos 6302.0, 6345.0, 5206.0 and DEWR Trends in Enterprise Bargaining.

2.42 As discussed in Appendix A the method of construction used for the WCI can be expected to show a smaller long-run increase over time than that using the other measures above.

2.43 The AWOTE and AENA measures grow at a faster rate than WCI partly because of compositional change in employment, but they do
show stable and consistent trends. The WCI does not yet provide a sufficient run of data to discern longer term trends.

2.44 As the discussion on wage measures at Appendix A of this submission shows, each of these wages measures is constructed differently, has different strengths and weaknesses and may be better suited to different purposes. The recent experience of the Wage Cost Index suggests growth in wage costs is moderate. The longer term and recent experience of the wages bill measures suggest that the wages of award workers are falling behind those of the rest of the community.

How Have Award Dependent Workers Fared?

2.45 Last year award workers received an average increase well below 3 per cent and, as a result, well below wage movements for the rest of the community. Table 2.2 below, shows the average increase for various cohorts of award dependent workers as a result of last year’s decision.

Table 2.2: Average Percentage increase – 2001 Decision

<table>
<thead>
<tr>
<th>Award Only</th>
<th>Award Only Private Sector</th>
<th>Award Only Full-Time</th>
<th>Award Only Private Sector Full-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5</td>
<td>2.7</td>
<td>2.3</td>
<td>2.5</td>
</tr>
</tbody>
</table>

2.46 Table 2.3 shows the increase in selected award rates as a result of last year’s decision. All fall well below community wage movements.
Table 2.3: Percentage increase in selected Award Rates – 2001 decision

<table>
<thead>
<tr>
<th></th>
<th>C14</th>
<th>C10</th>
<th>C7</th>
<th>C1(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2</td>
<td>3.0</td>
<td>2.1</td>
<td>1.8</td>
<td></td>
</tr>
</tbody>
</table>

2.47 Whilst award workers averaged around 2.5 per cent as a result of last year’s decision (and at best received 3.2 per cent), the rest of the community fared far better. Table 2.4 below provides the most recent annual Percentage increase for each of the key wages measures.

Table 2.4: Annual Percentage increase in key wage measures

<table>
<thead>
<tr>
<th>AWOTE(a)</th>
<th>AWE All Employees(b)</th>
<th>AWE Full Time adults(c)</th>
<th>AENA(d)</th>
<th>WCI(e)</th>
<th>ADAM(f)</th>
<th>DEWR(g)</th>
<th>MCED Senior Management(h)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.4</td>
<td>4.6</td>
<td>4.9</td>
<td>4.5</td>
<td>3.6</td>
<td>4.0</td>
<td>3.9</td>
<td>5.0</td>
</tr>
</tbody>
</table>

(a) Trend AWOTE to August 2001

(b) Trend AWE All Employees to August 2001

(c) Trend AWE – Full Time Adults to August 2001

(d) Trend Average Compensation per Non-farm Employee – to September 2001.

(e) Wage Cost Index to September 2001

(f) Average Annualised Wage Increase per agreement (AAWI)– September 2001

(g) Average Annualised Wage Increase per employee (AAWI) – certified in September quarter

(h) Increase in base salary of Senior Management to December 2001.

2.48 Measures such as AWOTE, AWE, WCI and AENA are all affected by the fact that award employees received lower pay rises than others in the community. The average increase for award only employees as a result of the 2001 safety net decision was 2.5%. The average increase for full-time award only employees was 2.3%.
Award only employees make up 23.2% of the total population of employees and award only full-time employees constitute approximately 19.7% of all full-time employees. As a result the presence of award reliant employees in the data used to calculate wages measures exerts a significant downward pressure on the overall averages.

2.49 It is possible to extract from the overall wages measures estimated wage movements for all in the community excluding award only employees. We do this by re-weighting the averages utilising the average increase for award only employees arising from last year’s decision. The results are produced in Table 2.5 below.

**Table 2.5: Movements in Wages (excluding award employees) (a)**

<table>
<thead>
<tr>
<th>AWOTE (exc. Award)(b)</th>
<th>AWE All Employees (excluding award)(c)</th>
<th>AWE Full time adults (excluding award)(d)</th>
<th>AENA (excluding award)(e)</th>
<th>WCI (excluding Award)(f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2</td>
<td>5.2</td>
<td>5.5</td>
<td>5.1</td>
<td>3.9</td>
</tr>
</tbody>
</table>

(a) See Tag 2 of ACTU Composite Exhibit for details of methodology
(b) Trend AWOTE to August 2001 (excluding award employees)
(c) Trend AWE All Employees to August 2001
(d) Trend AWE – Full Time Adults to August 2001
(e) Trend Average Compensation per Non-farm Employee – to September 2001.
(f) Wage Cost Index to September 2001

2.50 Not only did last year’s safety net increase result in award rates failing to keep pace with the rest of the community, but for most
award workers it delivered a real wage cut.\(^1\) Last year only three wage rates (C14, C13 and C10) in the Metal Industry Award classification structure did not receive a real wage cut and the level of real increase for these rates was negligible (0.2%, 0.1% and 0.0% respectively) – see Tag 3 of Composite Exhibit.

2.51 As a result of the 2000 safety net adjustment all wage rates C10 and above received a real wage cut.\(^2\) The combined effect of the two previous decisions is, therefore, a real wage cut over the last two years for all wage rates above C12. Using unpublished data from the *Employee Earnings and Hours – May 2000 Survey* (ABS Cat. 6306.0) we calculate that last year 82% of award dependent workers received a real wage cut and over the past two years 81% have seen their real wage diminished.

2.52 The effect of last year’s safety net increase is a concern. Firstly because it exacerbates a longer term trend of award rates falling behind those wage rates prevailing in the rest of the community and secondly because a significant number of low paid award dependent workers have seen their living standards fall over the last two years.

2.53 Wages of award based employees have historically grown at rates broadly in line with the aggregate measures of wage growth such as AWE, owing largely to the relative importance of centralised wage fixing in defining community wage standards.

\(^1\) We deflate using the Commonwealth’s preferred deflator of 3.0 per cent, using all groups CPI to June 2001 (6.0%) and extracting 3.0% for the GST effect.

\(^2\) We deflate using the Commonwealth’s preferred deflator of 3.2 per cent for all groups CPI to June 2000.
2.54 Since the early 1990s, the growth in award rates has been significantly less than AWOTE, with increases in award rates since this time for the most part reflecting the ‘safety-net’ adjustments for wage earners who have not received wage increases under enterprise bargains. In a 1996 paper looking at various wages measures, the Reserve Bank published the following chart comparing growth in award rates to those in the general community.

![Wages Annualised growth chart](image)

* RBA estimate of increase assuming bank settlements of 6 per cent per year in the June quarter 1996.


2.55 As can be seen from this analysis, award rates grew generally in line with AWOTE growth up until 1992-93. Since this time, growth in award rates has been far outpaced by the AWOTE measure.

2.56 In comparison to the close association between awards and AWOTE for the period before 1992-93, award rates at the C10 and C14 classifications have risen during the 1990s at an average
annual rate of only 2.6 and 3.1 per cent respectively, compared with continued strong growth in AWOTE of 4.2 per cent per annum.

2.57 Figure 2.10, below shows has there has been a growing divergence in the growth of award rates from those prevailing in the overall community, particularly since the early 1990s. It is also possible to see from this chart, that the divergence in growth rates has largely occurred not as a result of escalated growth in AWOTE (which has remained quite stable), but a falling behind in the growth rate of award rates of pay beginning around the early 1990s.

![Figure 2.10: Wages Growth Comparison – AWOTE, C10 and C14](image)

Source: ABS Cat No. 6302.0 and Metal Industry Award.

2.58 Using AWOTE as a measure of community wages, it is possible to assess in greater detail, the performance of award rates relative to the growth of wages and salaries occurring in the rest of the community.

2.59 Figures 2.11 and 2.12 plot a series representing growth in each period of award rates, as a proportion of AWOTE growth. For
example, a figure of 100.0% on the chart suggests that Award wages grew at exactly the same rate as AWOTE during that period. Similarly, a number less than 100 represents a point in time when award rates were growing slower than AWOTE (eg. a value of 80%, suggests that Award rates grew only 80% as quickly as did AWOTE). What this series allows us to analyse is how the divergence in growth between the two series has occurred.

2.60 Figure 2.11, firstly shows that for most of the period since 1983-84, growth in the C10 classification in the Metal Industry Award has been outpaced by that prevailing in the general community. There are two main exceptions to this trend. The first occurred in 1990, where through Award Restructuring and the Minimum Rates Adjustments, the level of the C10 classification was increased by a considerable $40 per week, or 11.2 per cent. This caused a spike in the series presented in Figure 2.11, and resulted in the C10 rate recovering some of its previously lost value as a proportion of AWOTE during this period. (see also Figure 2.13 further below).

2.61 Secondly, during the 1998 and 1999 Living Wage cases, the awarding of increases by the Commission of $14 and $12, resulted in the growth of C10 being very close to (although still below) that of AWOTE, resulting in an easing in the widening in the gap between C10 and AWOTE.
Since these decisions, the most recent 2000 and 2001 decisions of the Commission have seen the growth in C10 once again fall sharply below that of AWOTE. On average the growth in the C10 rate as a proportion of AWOTE growth has actually been declining over time. This means that not only is the level of C10 dropping further below that of AWOTE, but that it is doing so at an increasing rate.

Figure 2.12 below, presents a similar story for the C14 classification in the Metal Industry Award. The C14 rate experienced a similar spike in its growth in 1990, and has also benefited from the 1998 and 1999 decisions of the Commission. The 1998 and 1999 increases awarded by the Commission did, in fact, result in the C14 rate growing faster than AWOTE during these years, enabling the widening gap between the two series to not only be contained during these two years, but in fact closed slightly. The last two decisions by the Commission (2000 and 2001), have seen the growth rate of C14
once again fall significantly below that of the rest of the community, and the level of C14 fall even further behind in relative terms.

2.64 The chart suggests that growth in the C14 rate has fluctuated around a fairly flat long term trend of a little under 80 per cent of that achieved by AWOTE.

Figure 2.12: Growth in the C14 rate as a proportion of growth in AWOTE

![Chart](chart.png)

Source: Cat No. 6302.0 and Metal Industry Award

2.65 What all this suggests is that so long as award rate increases are below that recorded for the community generally, they will continue to fall further and further behind and become less and less a fair safety net. For example, Figure 2.13 shows a stark picture of the result of award rate decisions on the relative levels of the C10 and C14 classifications, relative to AWOTE.
2.66 As can be seen, the relative value of both award classifications has fallen over time. It is possible to see that since 1983 the value of the C10 rate, relative to AWOTE, has fallen to the extent that it is currently only slightly above that of C14 in 1983.