National Wage Case Survey
2001 - 2002

National Results

Co-ordinated by the
Victorian Automobile Chamber of Commerce (VACC)
Background

The Victorian Automobile Chamber of Commerce (VACC) commissioned ACNielsen to conduct a survey of the membership of the various Motor Trades Associations of Australia to enable submissions to be prepared for the National/State wage case.

This is in response to a claim filed by the Australian Council of Trade Unions (ACTU) to the Australian Industrial Relations Commission for a general wage increase of $25.00 per week for employees.
Objectives

The objectives of the study were to determine:

- the total number of employees;
- number of employees by category (ie. full-time, part-time and casual);
- number of employees by category employed under a Federal award, State award, Registered Agreement (State Workplace Agreement - WA) or award free;
- number of employees paid in excess of award rate and how much in excess each employee receives per week;
Objectives, continued

- whether employers pass on award increases to employees who are paid in excess of the award rate;

- overall level of business profitability compared to same period last year;

- The impact of last year’s $13.00 to $15.00 wage increase on the profitability of members;

- the impact of the GST on business profitability compared to the same period last year;

- the impact of the normal business cycle on profitability compared to the same period last year;
Objectives, continued

- causal effects as a consequence of overall level of profitability:
  - number of employees
  - employees’ wage levels
  - amount of over-time
  - capital expenditure towards business
  - level of absorption of product or service costs
  - selling price of products and services

- impact on the structure and scheduling of staff employment as a result of business profitability.
Research Design

Interviewing

All interviews were conducted from ACNielsen’s Computer Assisted Telephone Interviewing (CATI) centres in Melbourne, Sydney and Brisbane.

Interviews were constantly supervised during the interview process, with validation conducted on at least 10% of interviews.
Sample Size

- A total of 1008 interviews were conducted nationally (this sample size provides a maximum margin of error of +/- 3.1% at the 95% confidence level).

- Interviews were conducted with each of the seven motor trade associations. Each association constitutes a portion of the national sample according to its proportion of the overall combined national membership base.
The table below details the numbers of interviews conducted for each association.

<table>
<thead>
<tr>
<th>MOTOR TRADE ASSOCIATIONS</th>
<th>SAMPLE SIZE BY LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victorian Automobile Chamber of Commerce (includes Tasmania)</td>
<td>200</td>
</tr>
<tr>
<td>Service Station Association Ltd (NSW), Motor Traders Association of NSW</td>
<td>105 243 348</td>
</tr>
<tr>
<td>Motor Trades Association ACT Ltd.</td>
<td>100</td>
</tr>
<tr>
<td>Motor Trades Association of Queensland</td>
<td>100</td>
</tr>
<tr>
<td>Motor Trades Association of Northern Territory Inc</td>
<td>60</td>
</tr>
<tr>
<td>Motor Trade Association of Western Australia Inc</td>
<td>100</td>
</tr>
<tr>
<td>Motor Trade Association of South Australia Inc</td>
<td>100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1008</strong></td>
</tr>
</tbody>
</table>
Weighting of Results

The final results were weighted by association and location (metro, non-metro) to ensure a result representative of the combined national associations and within each association/state. This results in each association and location representing its true proportion of an overall national result.
Detailed Findings

• Business Employment

• Business Profitability
Business Employment
Number of people employed in business

Almost half of businesses employed 1-5 employees on site

- More than 20 employees: 7%
- 6-20 employees: 36%
- 1-5 employees: 49%
- 0 employees: 8%

Base: all respondents (1008)
Majority of businesses employ 1-5 employees across the employment categories.
Award coverage of Full-time employees

Six in ten Full-time employees were employed under a Federal Award

- Registered Agreement or State Workplace Agreement (WA) 8%
- Award Free 10%
- State Award* 21%
- Federal Award 61%

Base: businesses with full-time employees (882)

*Clerical pay rates are covered by the Sector Rates Of Pay in Victoria.
Award coverage of Part-time employees

Close to half of Part-time employees were paid the **Federal Award**, and slightly over a third were paid the **State Award**.

- **Federal Award**: 46%
- **State Award**: 35%
- **Registered Agreement or State Workplace Agreement (WA)**: 8%
- **Award Free**: 11%

* Clerical pay rates are covered by Sector Rates Of Pay in Victoria

Base: businesses with part-time employees (196)
Award coverage of Casual employees

Slightly over three-quarters of Casual employees were paid the Federal Award.

- Federal Award: 77%
- State Award*: 15%
- Registered Agreement or State Workplace Agreement (WA): 6%
- Award Free: 2%

Base: businesses with casual employees (295)
* Clerical pay rates are covered by Sector Rates of Pay in Victoria
The table below details the percentage of those employees under a Federal or State award, their employment status, and whether they were paid the award rate of pay or paid in excess of the award rate. *Please note that respondents who answered “don’t know” are not included in the table.*

<table>
<thead>
<tr>
<th>Total</th>
<th>The Award Rate of Pay</th>
<th>$1-$20 in Excess of the Award Rate</th>
<th>$21-$40 in Excess of the Award Rate</th>
<th>$41-$60 in Excess of the Award Rate</th>
<th>$61-$80 in Excess of the Award Rate</th>
<th>More than $81 in Excess of the Award Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Metro</td>
<td>Rural</td>
<td>Total</td>
<td>Metro</td>
<td>Rural</td>
</tr>
<tr>
<td>Federal Award</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full time - % employees</td>
<td>10</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Federal Award</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part time - % employees</td>
<td>74</td>
<td>69</td>
<td>83</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Federal Award</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual - % employees</td>
<td>82</td>
<td>80</td>
<td>83</td>
<td>7</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>State Award</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full time - % employees</td>
<td>11</td>
<td>10</td>
<td>12</td>
<td>5</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>State Award</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part time - % employees</td>
<td>70</td>
<td>75</td>
<td>63</td>
<td>6</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>State Award</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual - % employees</td>
<td>80</td>
<td>82</td>
<td>79</td>
<td>2</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Total - % employees</td>
<td>21</td>
<td>18</td>
<td>24</td>
<td>7</td>
<td>6</td>
<td>9</td>
</tr>
</tbody>
</table>
Pass award increase to employees paid in excess of award rate

Less than half of members pass on award increases to employees who are paid in excess of award rate

Base: employers who pay in excess of award rate (684)
Business Profitability
Overall level of business profitability

Over half of businesses reported a decrease in profit levels compared to the same time last year.

- Substantially increased: 3%
- Slightly increased: 15%
- Remained unchanged: 23%
- Slightly decreased: 26%
- Substantially decreased: 28%
- Not applicable/not in business for 12 months: 3%
- Don't know: 2%
- Total Increased: 18%
- Total Decreased: 53%

Base: all respondents (1008)
Impact of factors on profitability compared to same period last year

The GST caused the greatest negative impact on business profitability

*Normal business cycle is defined as the 12 month period involving any related commercial activities.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Total positive</th>
<th>No effect</th>
<th>Total negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award increase</td>
<td>49%</td>
<td>44%</td>
<td>6%</td>
</tr>
<tr>
<td>GST</td>
<td>57%</td>
<td>30%</td>
<td>12%</td>
</tr>
<tr>
<td>Normal business cycle*</td>
<td>52%</td>
<td>33%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Effect of change as a result of an overall increase on business profitability

Increase in business profitability compared to the same period last year, was attributable to increases in *capital expenditure towards business*

Please note: respondents who answered "don't know" or "not applicable" were not included in the above chart.
Effect of change as result of an overall decrease on business profitability

Businesses who experienced a decrease in profitability compared to the same period last year, indicated a higher level in the absorption of product and/or service costs.

Please note: respondents who answered “don’t know” or “not applicable” were not included in the above chart.
Effect of change in profitability on the structure and scheduling of staff employment

Majority of members claimed changes in the level of profitability had no impact on the structure and scheduling of staff employment

Base: company with employees and been in business over 12 months (899)