

# MANAGEMENT'S MISLEADING MATHS

---

## House Committee response to "My EA" claims on wages

The propaganda that management issued today 12/6/13, on ABC wages is highly misleading.

These are the facts.

- Management's pay offer is significantly below the inflation rate that has prevailed in recent years.
- The pay offer is way below prevailing wage increases for all employees and public sector employees in recent years.\*
- Recent ABC collective bargaining increases have lower than pay rises for the public sector of for the general community and the current offer is far below prevailing community standards.

## Management's pay growth myth

***the average weekly earnings for an ABC employee has grown by 29% since 2006 and has outperformed almost every other sector (other than mining). In the same period, our base line funding increased by 15% and CPI increased by 17%.***

Management has failed to document where the "29%" "average weekly earnings" figure comes from.

This grossly overstates the pay rises that employees have received from collective bargaining. One can only assume that it includes pay rises achieved through staff being promoted to new roles and individual merit rises.

The Australian Bureau of Statistics "average weekly earnings" series is no longer seen as a reliable guide to pay increases because it incorporates pay rises that come from promotion, role changes and up-skilling.

***"CPI increased 17%"***

The relevant point is that the inflation rate, however you measure it, has, with rare exceptions, been above the pay offer from ABC management. See the following table on annual consumer price rises. *See table at end.*

## Management's mining myth

***ABC pay "has outperformed almost every other sector (other than mining)."***

Not so. These are the facts. The most reliable measure of wage rises is the ABS's Wage Price Index.

It shows that ordinary time hourly rates of pay for **all sectors** (public and private) rose by 3.2 per cent in the 2009-10 financial year; 3.9 per cent in 2010-11; and 3.6 per cent 2011-12 financial year.

**There was a 3.57 per cent annual increase over the past three financial years, on average, for Australian employees.**

Public sector rises were even higher: 4.2 per cent in 2009-10; 3.8 per cent in 2011-12, and 3.1 per cent in 2011-12.

**There was a 3.7 per cent annual increase over the past three years across the public sector. In comparison, ABC employees under the current EBA received annual pay increases averaging 3.16 per cent: WELL BELOW THE AVERAGE PAY RISE FOR ALL EMPLOYEES AND FOR PUBLIC SECTOR EMPLOYEES.**

Over the three preceding years (2008-10) the average pay rises were even higher: across all sectors 3.8 per cent and the average pay rise for public sector employees 4.1 per cent.

**The facts show that ABC employees pay rises have not kept pace with Australian workers in general or employees in the public sector.**

**As for the claim that pay rises at the ABC are higher than in any other industry than mining, it doesn't stack up against the facts.**

Over the last financial year, these were the pay rises by sector:

Mining 4.4 per cent

Manufacturing 3.7 per cent

Electricity: 3.6 per cent

Construction: 4.1 per cent

Wholesale 4.4 per cent

Accommodation/food: 3.4 per cent

Information, media and communications 3.7 per cent

Finance and insurance: 4.0 per cent

Source: ABS Wage Price Index 6345.0

#### **ABC EMPLOYEES ARE FALLING BEHIND.**

Date	Consumer price index		Other consumer price measures	
	All groups	Excluding volatile items	Weighted median	Trimmed mean
Mar	2.9	2.9	3.5	3.1
Jun	3.1	2.9	3.2	2.8
<b>2010/11</b>				
Sep	2.9	3.0	2.8	2.5
Dec	2.8	2.4	2.5	2.2
Mar	3.3	2.6	2.5	2.2
Jun	3.5	2.6	2.9	2.6
<b>2011/12</b>				
Sep	3.4	2.3	2.8	2.6
Dec	3.0	2.6	2.9	2.8
Mar	1.6	2.0	2.5	2.3
Jun	1.2	1.8	2.2	2.1
<b>2012/13</b>				
Sep	2.0	2.4	2.6	2.3
Dec	2.2	2.4	2.5	2.3
Mar	2.5			

Source: Reserve Bank of Australia