



myEA update

myEA update #6 – Wages: Where are we at?

Dear colleagues

We are at an important stage of negotiations for the new EA and we know that many of you are thinking about the ABC's proposal for a new EA and the issues currently being discussed.

With this in mind, we felt it was a good time to provide further information in relation to some of the concerns and feedback we have received.

Wages offer & ABC funding

Many of you have indicated that the ABC's initial offer of a 2% wage increase would not be good enough.

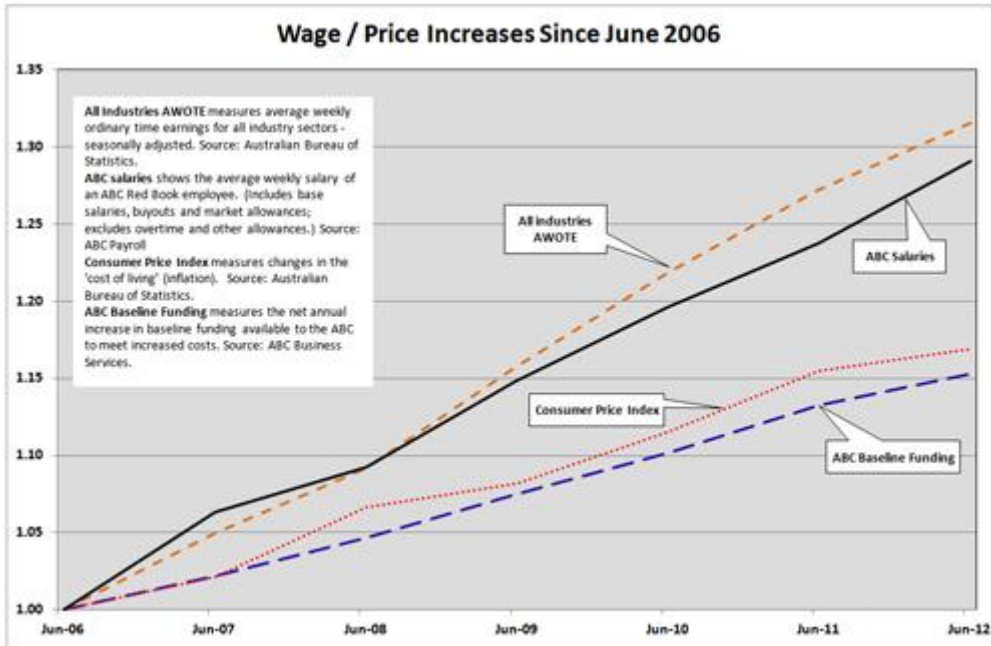
This is the ABC's initial wages offer - and we have made it clear that we are looking for ways to improve that offer. However, it is important that the offer and the ABC's room to move be considered in the following context:

- the ABC's base line funding is less than 2%
- our base line funding is currently less than inflation and this has been the case for the last six years
- despite this, collective wage increases at the ABC have outperformed inflation and the consumer price index for the last six years, with this being able to be achieved through productivity initiatives, for which ABC staff have already been rewarded
- 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%
- the new money which we received as part of our triennial funding has been allocated for specific projects. Unfortunately, this funding cannot simply be diverted to funding wage increases
- these new projects are critical to the relevance and ongoing survival of the ABC. Remaining static and behind the rest of the industry is not in the ABC's or its employees' long term interests
- we are facing a tough internal budget. Our increased operating costs need to be met through our base line funding. We are doing everything we can to minimise these costs, but some are outside of our control. These costs are not unique to the ABC - they are impacting many other public and private sector employers in a similar way
- if we sign off an unsustainable and unaffordable three year wage deal, the only option will be for the ABC to reduce its cost base. This will inevitably lead to a

reduction in jobs

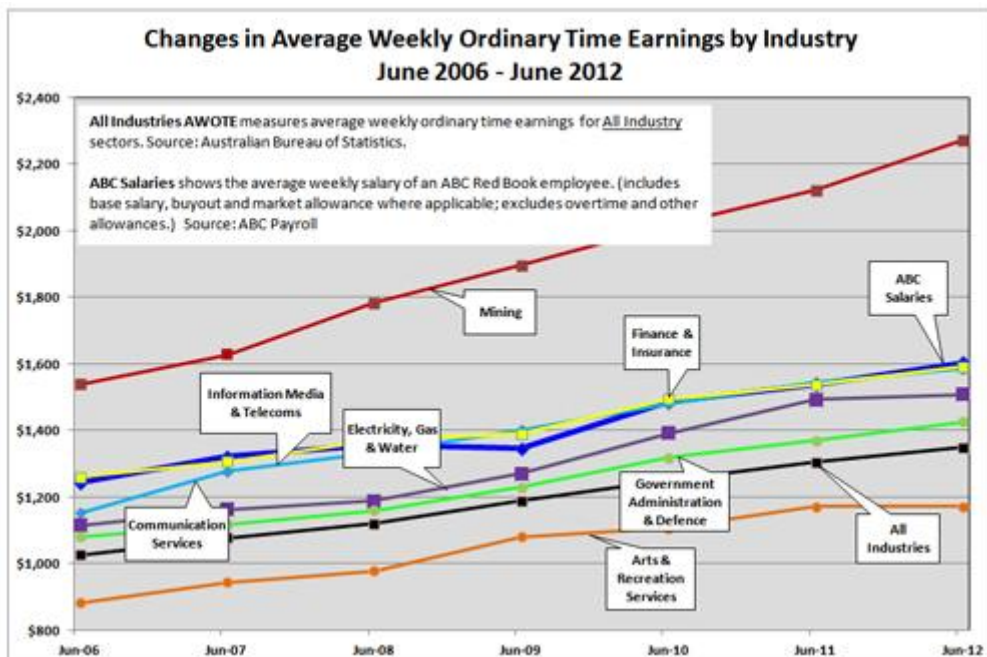
- there are a range of other claims in the unions' log which would have a financial impact and need to be considered as part of the overall affordability of the agreement
- the rest of the media industry is in turmoil and the public service is facing significant cuts. In these circumstances, the ABC needs to act responsibly.

The graphs below illustrate the ABC's position over the previous six years.



Note: AWOTE growth reflects the impact of the mining boom

[\[click to enlarge\]](#)



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Proposed changes to the enterprise agreement

Every three years, the ABC sits down with its employees and their representatives to look at ways for us to improve our operational efficiency. This is a longstanding and normal process that happens as part of all industrial negotiations. In return for identified efficiencies, we look at ways to reward our employees for these improvements by increasing wages and providing the funding for a range of other employee benefits.

To remain relevant and competitive, the ABC's operational requirements need to evolve. Just like our operations don't "stand still", the enterprise agreement doesn't "stand still".

The ABC has said to staff and their representatives that it hopes to improve its wages offer if we can have a sensible discussion around a couple of efficiencies, which would deliver long term structural savings.

The ABC has proposed a couple of efficiencies through changes to meal allowances and extending the Monday to Friday penalty free shift window for Schedule A employees by 30 mins to finish at 6.30pm. These changes are consistent with arrangements in place for Schedule B employees and at a number of other media organisations.

Not all ABC employees will be impacted by these proposed changes. In fact, the number of employees who would be significantly affected is relatively small. For this group, we have made it clear to the unions that we will consider an offer that includes a range of options to help transition to, and compensate for, the change.

More information on these proposals can be found at myEA Update [#4](#) and [#5](#).

We are waiting on the unions' response to our offer to allow us to progress these discussions.

Next Steps

To date, our discussions with the unions have been constructive. Our next bargaining meeting is scheduled for 25 June.

With genuine engagement from both sides, we are hopeful that in the coming weeks we can deliver an improved wages offer, underpinned by some sensible changes to our agreement which will help fund it.

In the meantime, please continue to send through your feedback or questions.

- [State and Territory P&L Manager](#)
- [EA Intranet site](#)
- Email myEA@abc.net.au

