Agreements Database Monitor

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wage increases in September 2002 quarter certified agreements

The average annual wage increase for certified enterprise agreements registered in the September 2002 quarter was 3.8% (per agreement), down by 0.4% percentage points from 4.2% in the June 2002 quarter.

In the March and June quarter ADAM Reports a widening gap was noted between the average annual wage increase in union and nonunion agreements (4.1% -3.3% and 4.4% - 3.7% respectively). Figure 1.1 below shows that in the September 2002 quarter this gap has decreased significantly delivering annual average wage increases of (3.8% and 3.7% respectively). Since the last report on the public and private sector in the June ADAM Report there has been little change. Private sector agreements approved in the September 2002 quarter delivered a higher average annual wage increase than public sector agreements (3.8% and 3.6% respectively).

Figure 1.1: September 2002 quarter average annual percentage wage

![Graph showing average annual percentage wage increases for different sectors.]

Source: ADAM Database, 2002, ACIRRT, University of Sydney.
High wage agreements this quarter have provided a wide variety of pay and productivity initiatives. In the previous ADAM Report No# 34, high wage agreements presented a shift towards more innovative approaches, such as the introduction of new classification structures. This quarter has seen a return to more common trade-offs. Absorption of allowances and overtime continue to be a common feature as does the removal of various leave entitlements. High wage agreements this quarter have also included a number of ‘at-risk’ pay structures.

The most interesting trend to emerge this quarter is the number of ‘at risk’ pay structures that offer high at risk wage increases, with low guaranteed wage increases. This trend continues to reinforce a culture of providing employees with benefits as long as they also share the risk and responsibility associated with achieving higher levels of productivity. As noted in previous ADAM Reports, many ‘at risk’ wage increases have been linked to Key Performance Indicators (KPI’s). A number of complex KPI structures have been identified this quarter. One agreement outlines an ‘at risk’ wage increase based on individual performance reviews. These performance reviews are based on accountabilities detailed in job descriptions, these accountabilities are then determined by management. This type of KPI structure may indicate a shift towards greater management control in the achievement and assessment of at risk wage increases. However, high wage agreements this quarter have shown a more consultative approach ensuring that KPI structures are acceptable to both management and employees.
Table 1.1: Key features of higher than average wage increases in December quarter enterprise agreements

<table>
<thead>
<tr>
<th>Industry</th>
<th>Key Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>**Education Sector</td>
<td>• This 35 month agreement provides for a guaranteed wage increase of 6%, 2% to be paid annually for the life of the agreement. There is no indication of any visible trade off for this payment, rather these guaranteed wage increases are provided to ensure employee’s wages increase in line with projected inflation increases.</td>
</tr>
<tr>
<td>(AAWI 12%)</td>
<td>• A further wage increase of up to 24% is based on the outcome of annual individual performance reviews. If an employee meets the expectations defined in their job role then they will receive an increase of 2%. Depending on the extent that the employee’s are assessed as having exceeded the main accountabilities of their job role, they can receive up to a further 3-6% wage increase annually. A possible 8% wage increase could be obtained annually.</td>
</tr>
<tr>
<td></td>
<td>• The payment of these performance based wage increases not only depend on the individuals review, but also on the organisation capacity to pay.</td>
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<td></td>
<td>• Employees may also participate in team-based incentive schemes which can provide employee’s with one-off bonus payments.</td>
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<tr>
<td>**Gaming Sector</td>
<td>• A total wage increase of 18.2% is provided in this agreement and is to be paid over 3 periods (on certification and anniversary dates of the agreement).</td>
</tr>
<tr>
<td>(AAWI 6.24%)</td>
<td>• Employee’s have 2 pay structure options. The first option provides for the high wage increase (outlined above) in lieu of 5 public holidays. Due to the nature of this particular industry, this arrangement provided substantial benefits to the organisation in regards to increasing rostering flexibility whilst also providing employee’s with a higher weekly wage.</td>
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<tr>
<td></td>
<td>• The second option allows employees to exchange 5 days of sick leave entitlement for a 0.75% wage increase. Employees will accrue sick leave at the rate of one day per two months of service and will continue to accrue indefinitely.</td>
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<tr>
<td></td>
<td>• This agreement also provides employees with the option of ‘cashing in’ any annual leave entitlements in excess of 2 weeks.</td>
</tr>
<tr>
<td>**Manufacturing</td>
<td>• This agreement provides for a possible 13% wage increase over a 24 month period. 12% increase comprises of 2 guaranteed wage increases of 7% and 5% payable on the certification and anniversary of this agreement.</td>
</tr>
<tr>
<td>Sector (AAWI 6.5%)</td>
<td>• Employees can also receive an additional 1% increase in their wage rates if profit targets of the company are achieved. The actual increase required in productivity to obtain this bonus is to be determined by the workplace consultative committee. This additional wage increase can be paid as a superannuation contribution rather than as a wage increase and hence reduce the tax paid by employees.</td>
</tr>
<tr>
<td></td>
<td>• A guaranteed wage increase of 16.7% is payable of the life of this agreement over 3 periods.</td>
</tr>
<tr>
<td>**Services Sector</td>
<td>• This wage increase is in lieu of payment for various allowances that were paid under the relevant award as well as annual leave loading. The relevant overtime and penalty rates continue to apply. This is an example of the common practice of absorbing pre-existing entitlements in exchange for higher wage increases rather than carrying out any significant workplace reform aimed at generating higher levels of productivity which promote the payment of higher wage increases.</td>
</tr>
<tr>
<td>(AAWI 5.57%)</td>
<td>• Employees are also provided with the option of receiving payment in lieu of RDOs.</td>
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### Manufacturing Sector (AAWI 5.5%)

- A maximum fixed wage increase of 11% can be obtained during the life of this 24 month agreement. Two annual payments of 5.5% are provided in exchange for a commitment to undertake training programs that have been implemented into the work place and to achieve general company objectives relating to productivity.

- An annual ‘once-off’ payment of up to 2.5% is also provided which is linked to particular KPIs. These include safety, waste and overall business improvement. Employees need to reach at least 30% of the KPI targets in order to qualify for a payment. If employees achieve a 100% of the KPI targets then they will receive the full 2.5% bonus.

- The committee established for the negotiation of this agreement is to be consulted in determining what KPIs should be used to determine whether the bonus payment should be made.

### Communications Sector (AAWI 5.45%)

- A one-off 10.9% initial increase on certification applies.

- Apart from the absorption of a tool allowance, the only other identifiable trade off for this higher wage increase is a reduction in penalty rates such as public holidays, which have been reduced from 250% to 200%.

- It is interesting that the total wage increase for this 24 month agreement is paid on certification, rather than on the anniversary of the agreement which provides employee’s with a compounded wage increase throughout the life of the agreement.

Source: ADAM Database, 2001, ACIRRT, December Quarter, University of Sydney.

Note: High wage agreements are defined as those delivering an AAWI of 5% or above.
wage outcomes in current collective agreements

The average annual percentage wage increase for all currently operating agreements at the end of September quarter was 4.0%, remaining stable since the previous quarter (4.0%).

There has been little change since the previous ADAM Report. Figure 1.2 shows that for the fourth consecutive quarter the construction industry, leads the wage outcomes, delivering an average annual wage increase of 4.5%. The mining industry again provides the lowest average annual wage increase of 3.4%.

Figure 1.2: wage increases in currently operating agreements, by industry

Source: ADAM Database, 2002, ACIRRT, University of Sydney, (n=1762).
Note: * Current agreements include all enterprise agreements which have not reached their stated nominal expiry date as at end September, 2002.
Pattern bargaining has emerged as a key policy concern of the Commonwealth Government. After the Australian Democrats joined with the ALP in the Senate to block an anti-pattern bargaining bill in 2000, the Commonwealth Government has renewed its efforts to outlaw pattern bargaining, passing the *Workplace Relations Amendment (Genuine Bargaining) Bill 2002* through the House of Representatives in June 2002. Under the new bill, the Commission would be required to terminate a bargaining period and the capacity to take protected industrial action if the parties are aiming to reach common agreements across all or part of an industry. In this issue of the *ADAM* Report, we take a closer look at the issue of pattern bargaining using evidence from studies of enterprise agreements in the construction and vehicle industries undertaken by ACIRRT.

**the case against ‘pattern bargaining’**

The Department of Employment and Workplace Relations (DEWR) defines pattern bargaining as follows:

> The process of pattern bargaining occurs where a party seeks common outcomes on an all or none basis from agreements across a number of enterprises or workplaces, usually within the same industry or for multiple enterprises at a particular project or site.¹

Critics argue that pattern bargaining undermines the object of the *Workplace Relations Act* to promote ‘genuine’ workplace bargaining. Tony Abbott claims: “Unions use pattern bargaining to conduct their negotiations across a range of employers or an industry and do not genuinely negotiate at an enterprise level. Pattern bargaining ignores the needs of employees and employers at the workplace level.”²

DEWR has undertaken a study of pattern bargaining by analysing federal enterprise agreements registered between 1 January 2000 and 31 December 2001. DEWR distinguishes between ‘enterprise agreements’ and ‘pattern agreements’ which are defined as agreements covering different workplaces which provide for identical outcomes in wages and/or employment conditions and/or common expiry dates.

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The key findings of the DEWR study were:

- 38% of enterprise agreements had identical wage outcomes, 39% of all enterprise agreements are part of a ‘conditions’ pattern
- 89% of all pattern agreements were in the construction industry
- 45% of all pattern agreements expire in November 2002

According to DEWR, pattern bargaining is primarily an issue in the construction industry. In a submission to the Productivity Commission, DEWR also claims pattern bargaining is widespread in the automotive manufacturing sector.³

**pattern bargaining: evidence from the construction and vehicle industries**

ACIRRT has recently completed studies of enterprise agreements in the two industries. DEWR claims pattern bargaining is rife. The first study, commissioned by the Cole Royal Commission, examined 1182 enterprise agreements registered since 1995 in the building and construction industry across jurisdictions. The second report reviewed 173 federally registered enterprise agreements covering assemblers and component suppliers in an analysis of the Productivity Commission’s Review of Automotive Assistance produced for the Australian Manufacturing Workers Union (AMWU). Evidence from these two studies challenge many of the assumptions, assertions and policy reforms advanced by the Commonwealth Government in relation to pattern bargaining.⁴

Firstly, the occurrence of common or even identical provisions in agreements in an industry is not necessarily evidence of pattern bargaining. Pattern bargaining is usually regarded as occurring where either the union or employers (or employer association) have attempted to strategically and deliberately ensure common outcomes in agreements across an industry. As Justice Munro noted in ‘the metals case’ during the AMWU’s Campaign 2000, it is not a set of common demands but the absence of an ‘opportunity to concede’ or ‘modify’ these demands in enterprise negotiations that constitutes pattern bargaining.⁵ In negotiating agreements, individual unions and

employers will often end up with what may, at face value, seem like a pattern agreement as the parties look to the ‘going rate’ – to ensure fairness, in the case of unions, or a competitive settlement in the case of employers. Standardisation is sometimes desired by both parties for administrative efficiency or operation effectiveness such as in the case of safety management practices in the NSW construction industry.

Secondly, pattern bargaining is often initiated by employers within the construction and vehicle industries. Pattern agreements flow down supply-chains. Enterprise agreements amongst assemblers commonly refer to the requirements of ‘Toyota Production System’, ‘Ford Production System’ or ‘Holden Production System’. Within the construction industry, identical agreements are crafted by employer associations and passed down from head-contractors to sub-contractors. Pattern agreements were also found in non-union agreements within the construction industry, especially amongst non-residential building and construction and painting and carpentry. The Workplace Relations Amendment (Genuine Bargaining) Bill 2002, which focuses exclusively on unions and the use of industrial action in pattern bargaining, does not address employer-driven pattern bargaining.

Thirdly, DWER, the Productivity Commission and the Commonwealth Government over-state the level of uniformity between agreements. Within construction, pattern agreements can quite commonly be identified but usually it’s more accurate to say the agreements exhibit variations on a pattern – that is, differences in the type of provision on the same issue and/or differences in the incidence of provisions between and within different parts of the building and construction industry (especially in areas such as shiftwork, KPI’s and the use of contractors and casual employees). The same ‘pattern’ of variations on a theme is evident within the vehicle industry – notably, there is considerable variation in wage outcomes, employment conditions and no common expiry dates amongst the car assemblers. An analysis of agreements across time in fact suggests there is growing variation and fragmentation.

The case developed against pattern bargaining is conceptually vague and empirically sloppy. The following quote from DWER is typical:

> The acceptance, particularly of the four motor vehicle assemblers, of a union driven agenda has resulted in … industry wide ‘pattern’ agreements rather than tailored, enterprise specific agreements.  

The tacit assumption is that we live in a bipolar world: agreements are either ‘uniform’ or ‘unique’.

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Put simply, there is no sector in the Australian labour market or bargaining system in the OECD which fits this fictitious model of ‘genuine’ enterprise bargaining - all bargaining systems contain elements of pattern-setting and workplace bargaining. Even in the UK and US, universally considered the purest national cases of deregulated labour markets, there is considerable pattern-setting as well as decentralised bargaining by both employers and unions.

**co-ordinated flexibility: an alternative policy model**

The Commonwealth Government continues to rehearse an old polemic about centralised versus decentralised bargaining but international bargaining practices and policy debates have moved on. A uniform trend towards more decentralised bargaining and increased labour market flexibility can be observed throughout the OECD but whereas Australia has followed the UK down the path of ‘disorganised decentralisation’, fragmented bargaining with weak forms of coordination and pattern-setting, there is a convergence throughout Europe around ‘coordinated flexibility’ or ‘organised decentralisation’. Under coordinated flexibility, decentralised bargaining is accompanied by various types of ‘social pacts’ (establishing bargaining rules and procedures without constraining most industry, firm and workplace outcomes) and informal wage coordination. Both unions and employers still have interests in retaining workplace flexibility – employers to design variations on coordinated outcomes to fit their workplaces and unions to actively demonstrate their value to members in the workplace – but there are important ‘public goods’ arising from multi-employer coordination such as industrial stability, workplace trust and enhanced skill formation across the labour market.

Ironically, the practice of ‘coordinated flexibility’ is most advanced in OECD automotive industries which have rejected uncoordinated bargaining systems for reasons perfectly illustrated by the Australian experience. The absence of a mechanism for coordinated solutions to problems such as employee entitlements inevitably leads to the issue being played out enterprise-by-enterprise – each time potentially causing severe disruption across the entire industry because of the tightly integrated supply chains and just-in-time production systems. Internationally, auto companies and unions have recognised a mix of coordinated and enterprise-specific bargaining is essential to minimise the instability and disruption inherent to a system of fragmented bargaining.

The Australian preoccupation with outlawing ‘pattern bargaining’ to facilitate ‘genuine’ enterprise bargaining misses the key policy challenge – how to productively manage the interaction between multi-employer and enterprise bargaining.

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Casual employment

Casual employment has become an increasing feature of the labour market, providing both functional and numerical flexibility for employers. However, casual employment leaves employees with minimal security and little or no access to entitlements such as sick leave. Recent enterprise agreements have highlighted an increase in the average hours worked by casual employees. Unlike permanent employees, casual employees receive no statutory leave entitlements and are therefore less inclined to take leave. This trend alerts us to the potential workplace problems associated with casual employees. In particular, issues such as employee fatigue, may not only leave the organisation susceptible to workplace accidents, but may also leave employees with long-term health problems. The emergence of these issues has resulted in a growing trend among employers towards formalising adequate leave provisions for casual employees. The cases below indicate how two enterprises have attempted to deal these issues.

The first agreement from the hospitality industry provides casual employees, who are engaged continuously for twelve months and for a minimum of ten hours per week, with pro rata annual leave. This clause acknowledges the use of long-term casuals and it also encourages and rewards long term commitment. Unlike their permanent counterparts, casual employees are not entitled to an annual leave loading. Both casuals and permanent employees are entitled to be paid out for any unused annual leave on termination.

The second agreement from the printing industry also provides casuals with four weeks annual leave in a twelve-month period. Unlike the previous agreement the annual leave provided for in this agreement is unpaid. This clause acknowledges the use of long-term casuals and attempts to provide them with adequate leave provisions, and the knowledge that when they return from leave they will be offered the same roster. This is particularly innovative as provides casual employees with a sense of security, often only afforded to permanent employees.

**HOSPITALITY INDUSTRY**

“5.1 Annual Leave

5.1.1 Full-time employees covered by this agreement will at the end of each year of continuous service be entitled to 4 weeks annual leave on full pay. Part-time employees at the end of each year are entitled to 4 weeks annual leave payable at the rate of their average ordinary weekly earnings for the year.
5.1.2 All permanent employees leave is exclusive of statutory holidays, which may fall during the period of such leave.

5.1.3 Where the employee has accrued 4 weeks annual leave under this clause, the Club may request an employee to take any amount of the leave accrued, by giving 14 days notice.

5.1.4 Annual leave shall not accumulate during period of sickness or accident of more than 13 weeks.

5.1.5 Full-time or Part-time employees who are terminated or resign before the completion of 12 months continuous service shall be paid in addition to all other amounts due to him one twelfth of their pay for the period of the employment. All annual leave and pro rate annual leave payments shall be calculated on the normal gross weekly wage.

5.1.6 All annual leave paid to an employee will have an additional 17.5% loading paid on the amount paid for the annual leave.

5.1.7 All unused annual leave shall be paid on termination of employment.

5.1.8 Where a casual employee has worked continually for a period of 12 months and work an average of a minimum of 10 hours for each week of the 12 month period, the employee shall be entitled to pro rata annual leave and pro rata pay at the ordinary base rate of pay. Annual leave loading of 17.5% shall not apply. Untaken annual leave shall be paid out on termination less the annual leave loading.”

PRINTING INDUSTRY

“16. Annual Leave

16.1 Employees other than 7 day shift workers, see Annual Holidays Act, 1944

16.2 Seven day shift workers (as defined in sub-clause 10.1) have an additional 1 week's leave. If during the year of employment an employee has served for only a portion of it as a 7 day shift worker, the additional leave must be 1 day for every 36 ordinary shifts worked as a 7 day shift worker.

16.3 A casual employee may let the company know, by filling in the appropriate form or forms, that the employee is unavailable to be rostered on for work for a period of up to 4 weeks in any period of 12 consecutive months. For periods in excess of 4 weeks, agreement must be reached between the employee and company in line with current practice. Provided the employee complies with the company's policy and practice, the company will take all reasonably practicable steps to ensure that, when the employee is available to be rostered on for work immediately following the period
of unavailability, the employee is offered the same days and hours of work as were offered immediately before the period of unavailability.”

**redundancy entitlements**

In the current economic climate, the issue of employee entitlement protection has become an important consideration for employees and employers. In particular, redundancy has become a cause of anxiety for many employees. In this quarter, we have seen a significant trend by employers to comprehensively address these concerns through innovative redundancy provisions.

The first agreement from the union sector provides employees with an innovative approach to calculating their retirement/redundancy entitlements. The traditional formula of weeks per year of service has been replaced by a percentage payment for each year of service. The clause stipulates that the employees’ entitlement cannot be less than the relevant award minimum. The employee is then able to select how the payment will be made from three options. This provision provides the employee with the choice on how they will receive their entitlement.

The second agreement from the utility industry provides for extra notice for employees over the age of forty-five. The standard clause found in most agreements, offers employees over the age of forty-five with two years continuous service, an additional one weeks notice. This clause provides employees over the age of forty-five with an additional two months notice without any minimum service period. Recognizing the needs and difficulties faced by older employees in gaining re-employment.

The third agreement, from the communications industry, encapsulates the commission based pay structure into its redundancy provisions. While this clause follows the standard graduated formula for years per year of service, it incorporates an extra entitlement for employees who are entitled to the sales commission scheme. This clause acknowledges that for many of the employees commission is a fundamental part of their regular salary. This clause also provides a generous extra entitlement for employees over the age of forty-five, who have a minimum of twelve months service, and this distinction is continued through the graduated commission based entitlement.
“Severance Payment/Retirement Allowance

From the 1 July 2002 employees other than casuals shall be entitled to a severance payment/retirement allowance of 5.8% of salary for each completed year of service subject to:-

(a) In no case shall the amount of severance payment/retirement allowance paid as a consequence of redundancy be less than which would have been otherwise payable under the terms of the Clerical Award – State and

(b) In respect of retirement allowance an entitlement commences at the time of the union election following the initial engagement of the employee. Once an employee becomes entitled to retirement allowance a severance payment will not be made at the time of redundancy.

(c) An entitlement commences at the time of the union election following the initial engagement of the employee and

(d) The 5.8% of salary being paid at the sole discretion of the employee in any of the following ways:-
1. As a weekly cash amount or
2. As salary sacrifice into the SPECQ Superannuation fund monthly in arrears
3. Into the CIRT Redundancy trust monthly in arrears and

(e) An employee may change their method of payment once each year in July by advising of their decision in writing to the employer and

(f) In respect to any entitlement an employee has accrued prior to the 1 July, 2002 the employee must at their sole discretion advise the employer in writing which one of the following methods of dealing with than entitlement the employee chooses:-
1. Roll the entire entitlement into the CIRTQ Redundancy trust no later than August, 2002. or
2. Roll the entire entitlement into the SPECQ Superannuation fund no later than August, 2002. or
3. Take the entitlement as cash lump sum payments in no more than 4 payments spread over the maximum of 3 years commencing in June, 2002, the minimum lump sum payment so taken shall be not less than 25% of entitlement accrued at the time.”
“17 REDUNDANCY ENTITLEMENTS
Employee’s under this agreement who are made redundant will be entitled to receive the following payments:

• 1 months notice payment
• Employees over the age of 45 will receive an additional 2 months notice period
• 3 weeks severance pay for each continuous year of service to a maximum of 40 weeks.
• Long Service Leave on a pro-rata basis after completion of 5 consecutive years of service
• other normal accrued entitlements.

Normally the Company would expect people to remain at work during their notice. However, every effort should be made to release anyone who elects to leave early to gain alternative employment or because of special personal circumstances.”

COMMUNICATIONS INDUSTRY

“21. REDUNDANCY
(i) If the company makes a decision to introduce major changes to the Organisation that are likely to lead to the reduction of staff numbers, then the company will notify employees as early as practical after the definite decision has been made for the changes to take place;
(ii) The company will discuss with the employees affected the introduction of the changes, the likely effects of the changes, and measures to avert or reduce the adverse effects of such changes on the employees;
(iii) In the event that an employee’s role is made redundant, and no suitable role is available within the Organisation, they will be retrenched, and paid notice and redundancy payments detailed below. This redundancy provision for payments will stand except otherwise ordered by the Commission. Affected employees shall be given, or paid in lieu, notice payments as provided in Clause 20 - Termination of Employment, and in addition, shall be paid redundancy pay in accordance with the table below:-
### Length of Continuous Service by Employee

<table>
<thead>
<tr>
<th>Length of Continuous Service by Employee</th>
<th>If employee under 45 years of age</th>
<th>If employee over 45 years of age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>1 year and more but less than 2 years</td>
<td>4 weeks’ pay</td>
<td>5 weeks’ pay</td>
</tr>
<tr>
<td>2 years and more but less than 3 years</td>
<td>7 weeks’ pay</td>
<td>8.75 weeks’ pay</td>
</tr>
<tr>
<td>3 years and more but less than 4 years</td>
<td>10 weeks pay</td>
<td>12.5 weeks’ pay</td>
</tr>
<tr>
<td>4 years and more but less than 5 years</td>
<td>12 weeks pay</td>
<td>15 weeks pay</td>
</tr>
<tr>
<td>5 years and more but less than 6 years</td>
<td>14 weeks pay</td>
<td>17.5 weeks pay</td>
</tr>
<tr>
<td>6 years and more</td>
<td>16 weeks pay</td>
<td>20 weeks pay</td>
</tr>
</tbody>
</table>

(iv) For the employees who are entitled to a sales commission scheme, they shall be paid 2 weeks average commission payments on top of their redundancy payment. If an employee is over 45 years of age, he/she shall receive 3 weeks average sales commission payments on top of their redundancy payment.

(v) In addition to the above prescribed redundancy payment, the retrenched employees will also be offered the services of outplacement services at the cost of the company.”
family friendly leave

Leave entitlements continue to dominate innovative clauses this quarter. Family-friendly leave provisions, including the provision of larger amounts of paid carers’ and “special” leave are some of the innovations that have been identified this quarter. The reorganisation of the workplace allows for more flexible leave taking and working practices. These developments have been geared towards enabling employees, especially primary caregivers, to devote necessary amounts of time to their private and personal lives.

The first agreement is from the local government sector. It provides employees with the option of taking unpaid leave of twelve months to care for any member of the immediate family, and potentially encompasses aged or disability-based care as well as providing a parental leave structure. Employees are entitled to take this leave in conjunction with paid family leave entitlements. Employees may also work on a casual basis whilst taking unpaid carers leave. This flexible leave practice has the dual advantage of providing employees with job security in the event of a significant personal event, and providing management with the means of retaining valuable employees.

Similarly the second agreement, from the transport services industry, allows employees to participate in an annual unpaid leave scheme. Employees are entitled to a maximum of four weeks’ unpaid leave per annum for personal purposes. Employees may take this unpaid leave adjacent to paid leave entitlements. This leave program allows employees to plan flexible absences over the yearly cycle with reference to their personal needs and family responsibilities. The employer equally can plan staffing needs around these scheduled absences.

The third agreement, from the health and personal services sector, provides family-friendly leave and work practices specifically for mothers. In addition to nine weeks paid maternity leave, employees are entitled to claim further paid leave if further pregnancy occurs whilst taking statutory unpaid parental leave. Employees are also entitled to paid breaks during an ordinary shift for the purposes of breastfeeding a new child.

The last agreement, also from the health and personal services sector, allows employees to take a combination of both paid and extra unpaid leave in relation to the death of a close family member. It also allows employees who have an indigenous background extended leave for the purposes of attending to community rites. This clause acknowledges the cultural practices of some indigenous employees as an important part of personal life, and provides additional unpaid leave for all employees.
“CLAUSE 24 - CARER’S LEAVE
Employees who make application may be granted (by the Chief Executive officer or his/her delegate) up to 12 months leave without pay to care for an immediate family member or a member of their household subject to the following conditions:
24.1 The employee shall have five years continuous service at the time of taken the leave.
24.2 The employee must be the primary care giver for the person concerned.
24.3 The 'person concerned' must be a member of the employee's immediate family or member of their household. The employee shall, in their application, give the employer the name of the person requiring care and their relationship to the employee, their reasons for taking such leave including the degree of dependency required and length of absence.
24.4 Employees may work for the Council on a casual basis while on carer's leave. The rate of pay will be based on the classification of the position to which the employee is so engaged.
24.5 Absence on carer's leave shall not break the continuity of service of an employee but shall not be taken into account (other than when engaged as a casual) in calculating the period of service for any purpose defined in the Award or Agreement.
24.6 An employee on carer's leave for up to three months is entitled to the position which he or she held immediately before proceeding on carer’s leave.
24.7 An employee, upon returning to work after carer's leave of more than three months duration, shall be entitled to a position at the same classification.
24.8 Carer's leave may be extended but under no circumstances will the absence on carer's leave extend beyond 12 months.
24.9 Carer's leave may be taken immediately following a period of Family Leave (where applicable). In these instances the combined period of leave shall not extend beyond 2 years. Carer’s leave shall not be taken ‘back to back’ with professional development leave.
24.10 An employee on carer's leave may terminate their employment at any time during the period of leave by notice in accordance with the Award”
“FLEXIBLE UNPAID LEAVE SCHEME (FULS)

Operational Efficiency

Effective use of FULS relies on co-operation between staff and managers so that the necessary balance between operational efficiency and the needs of the individual staff member can be maintained. Priorities to be taken into account in considering the granting of FULS are the maintenance of workflows.

Eligibility

All permanent (Company) employees may apply for FULS leave. Short term and casual temporary staff are not eligible.

Duration

The one to four weeks additional leave may be taken in blocks over the approved period. The minimum absence at any one time will be one (1) week. FULS can be used in conjunction with other leave subject to conditions listed under the paragraph on relationship to other leave and public holidays.

Supervisor's Role for The Initial Application

The supervisor is responsible for ensuring that the proposed dates for taking the leave are suitable, given known operational requirements and other staff movements, at the time of completion of the initial application. The staff member and the supervisor are expected to have discussed the leave arrangements and to have agreed on the leave. FULS leave is not to be granted when staff have excess recreation leave credits.

Relationship To Other Leave And Public Holidays

FULS leave may be taken in conjunction with recreation leave, long service leave, maternity leave, leave without pay, Carer's leave, time off in lieu of overtime and FLEX. it cannot be taken to break a period of long service leave or during the mandatory maternity leave period. Staff members who are sick while on FULS leave and obtain a medical certificate will be re-credited with those days.

Public Holidays

Where a staff member's absence of FULS leave spans a public holiday it is unpaid for record purposes but the employee will receive a days pay at the reduced rate under FULS.
Leave Accruals and Increment Dates

FULS is Leave Without Pay and does not count as service for any purpose and may affect leave accruals and increments dates as for any other form of LWOP. Staff members are expected to have used their FULS leave within 12 months of commencing the scheme. No accumulation is possible, if a credit exists readjustment will be made at the end of the FULS period.

Leaving (the Company) Australia During The FULS Cycle

If a staff member leaves (the Company) during the cycle, a reconciliation will occur to ensure that any monies owing to the officer or (the Company) are accounted for. Where money is owed to the staff member this will be paid in the next available pay period. Where an officer separates from (the Company) and money is owed to (the Company), recovery will be made from final moneys. Where a staff member with mobility rights, moves to another Government agency or department and money is owed to (the Company), recovery should be discussed with PACOS.”

HEALTH SECTOR

“9.5.13 Further Pregnancy While on Maternity Leave - Where an employee becomes pregnant whilst on maternity leave, a further period of maternity leave may be granted. Should this second period of maternity leave commence during the currency of the existing period of maternity leave, any residual maternity leave from the existing entitlement lapses.

9.5.15 Lactation Provisions - Employees who are lactating shall be entitled to one paid break of 30 minutes per shift for the purpose of expressing their milk or breast feeding their child, and the employer shall provide access to suitable facilities for such purpose.”
“21. Bereavement Leave
a) An employee shall, on the death of a person with whom the employee is in a bona fide domestic, familial or significant relationship, including but not limited to, spouse, partner, parent or child, brother, sister, father-in-law or mother-in-law, be entitled on notice to three days paid and two days unpaid bereavement leave.

b) Reasonable proof of the death shall be provided by the employee to RAV, if requested.

c) Employees who are indigenous Australians or from another cultural background shall be entitled to extended bereavement leave in accordance with the requirements of their culture and community.”

**employee training**

The first agreement, from the local government sector, applies to redundant employees. Where an employee has been made redundant they are entitled to time off to attend training and job interviews. However the employee may choose to receive a cash payment equal to the value of the training services. This clause is generous, considering that any training undertaken by the employee will have no organisational benefit to the employer. This provision shows a concern for the wellbeing of redundant employees, and a genuine attempt to allow employees every opportunity to seek future employment.

The second agreement, from the transport industry, provides an extremely comprehensive framework for the training and education of employees. Such detailed training provisions are rarely seen in enterprise agreements. The organisation has created a subsidiary company as a trainer of its employees, which indicates a real commitment to its training program.

**LOCAL GOVERNMENT SECTOR**

“Time off for training, attendance at job interviews and/or specialist support, including the provision of in-house training in job search skills, for periods which in the aggregate do not exceed 13 days or the provision of outplacement services upon termination to a value not exceeding $2,000 to be taken within 3 months of the date of retrenchment or otherwise by agreement. The employee may choose to receive up to $2000 in cash rather than opting for outplacement services.”
TRANSPORT INDUSTRY

“13. TRAINING

The Organisation maintains a high commitment to training of its personnel. The company provides availability of full time trainers in each state and operates a subsidiary company, as a Registered Training Organisation to provide curriculum and program support.

The company offers a wide range of accredited programs from the Certificate in Transport and Distribution in both Road Transport and Warehousing. The Organisation is currently participating in a program of Adult Traineeships for all staff, on a voluntary basis, to codify and enhance the qualifications held by existing staff. This program has over 600 participants registered for a comprehensive recognition and training program to Certificate III level. The Organisation’s Trainers have been recruited from the Transport and Distribution Industry and have all had many years of practical experience that provide them with an excellent base of industry knowledge and understanding of employee issues.

The Organisation’s Training Services commences its relationship with employees generally at the interview stage where Driver or Workplace Assessments are carried out to determine an applicant's suitability for a particular task. On appointment, the induction of a new employee into the workplace is generally conducted by a company Trainer. Regular programs of Driver Training, Manual Handling, Defensive Driving and License upgrades are conducted as the employee progresses in their employment with the company. The company also has a process of regular re-induction of employees to ensure that changes in procedures are well known in the workplace and that new practices and developments are communicated directly to employees.

The Organisation has also trained on each of its sites at least one Workplace Assessor to ensure that there is always someone available to conduct assessments in the absence or unavailability of a company Trainer.

Workplace Assessors form an important link in the ability of the company to deliver comprehensive training services. The role of Workplace Assessor recognises the expertise of experienced staff. The Workplace Assessor Training Program is fully funded by the Company and is a three-day training program. The training company referred to above is an important distinguishing feature of the Organisation’s commitment to Training...

...As well as the planned upgrade of skills for staff much of the work of trainers is in response to particular difficulties that staff may have dealing with new equipment,
changed conditions or work practices. The organisation aims to be both pro-active and also supportive in reaction to the needs of staff in meeting both safety and efficiency objectives for the benefit of the individual and the company.

The organisation reaffirms its policy of providing necessary training for all employees to meet operational requirements, as reflected in the foregoing. All company required training is to be provided at no cost to employees, with employees being paid the base rate for each hour's participation. However, there shall be no payment for attending training outside ordinary rostered hours for acquisition or renewal of necessary licenses, certificates or 'passports', i.e. "knowledge for time" exchange. Where practicable and provided there is no disruption to normal operations, training will be conducted in the period Monday to Friday.

The company shall promote through its training programs professional excellence, health and safety, improved understanding of the award and general industrial rights and obligations, for the mutual benefit of the company and its employees.

Induction

All new employees must complete appropriate inductions prior to being allowed to work independently or to operate company supplied vehicles or equipment. The designated manager makes the necessary arrangements for the following to be completed: general induction, site specific briefing, vehicle/equipment instruction. The names of newly inducted employees will be made available to the Union's site delegate.

Ongoing Training

The Organisation will provide directly, through the training organisation, or with the assistance of other accredited training providers ongoing training for its employees, including in respect of in-cab assessments, new vehicle and equipment instruction, on-road awareness, fatigue management, defensive driving, workplace health and safety, customer service, new technology and Quality Management."
other innovations

The first agreement is from the accommodation and tourism industry. It provides graduated annual leave loadings, based on the length of service of the employee. Whilst the loading gained in the first year of service is below industry standard, the long-serving employee receives a generous annual leave loading. This clause overtly encourages employee loyalty.

The second and third agreements, both from the utilities industry, deal with employee sick leave benefits. The first agreement provides unlimited sick leave for employees with over five years service. The second agreement provides a generous amount of sick leave to employees with more than twenty-six years service with the company. Both of these agreements arguably provide extra sick leave to older workers. This could be symptomatic of recent concern about Australia’s aging population and the impact this could have on work practices. These entitlements can be seen to provide greater security of employment for older workers.

ACCOMMODATION INDUSTRY

“12.0 ANNUAL LEAVE

12.1 Entitlement to Annual Leave Full-time employees are entitled to 152 hours of annual leave after each 12-month period of continuous service and accrue at rate 2.92 hours for each 38 hours worked. Part-time employees are entitled to annual leave after each 12-month period of continuous service on a pro-rata basis according to the hours actually worked. Temporary contract employees are entitled to pro-rata annual leave following the completion of the contract period or as mutually agreed.

12.2 When is annual leave to be taken? Employees in consultation with management will endeavour to reach agreement in determining the appropriate period and timing of leave. Annual leave must be taken in periods of not less than one week unless by mutual agreement. In the absence of agreement, management may give at least 14 days notice of the commencement of leave or part of leave due to the employee.

12.3 Payment of annual leave Annual leave is paid at the employee's current ordinary wage rate as set out in Appendix 3. In addition annual leave loading for each completed year of service will be paid in accordance with the following:
<table>
<thead>
<tr>
<th>Years of continuous service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>First year</td>
<td>12.5</td>
</tr>
<tr>
<td>Second year</td>
<td>15</td>
</tr>
<tr>
<td>Third year and thereafter</td>
<td>25</td>
</tr>
</tbody>
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12.4 Payment of annual leave on termination If the employee leaves or is dismissed, annual leave, which has become due but not taken and any pro-rata leave for each completed month of continuous service must be paid. Annual Leave loading is only payable on leave that has become due.

12.5 Public holidays failing within annual leave where the employee is entitled to a public holiday failing within a period of annual leave, the day will be added to the period of leave taken. However if the employee fails to commence at the rostered starting time following the leave period, payment for the public holiday will be subject to the production of a Doctor's Certificate or Statutory Declaration stating the employee was unable to attend for work.”

**UTILITIES INDUSTRY**

“SICK LEAVE ENTITLEMENTS

13.1 Employees under this agreement are entitled to paid sick leave 5 days in the first year and 8 days thereafter fully accumulative for the first 5 years of service and unlimited leave thereafter without loss of pay where they are unable to attend for duty due to genuine personal illness or non-compensable injury, provided there is an expectation of return to work. Injury/illnesses, which may extend beyond 12 months, will be reviewed on a case by case basis with parties involved, the company may reserve the right to retire staff who are assessed as unfit for duty and unlikely to be able to resume normal duties.

13.2 If absence is greater than 2 days a medical certificate must be obtained and attached to the employee's leave application.

13.3 The company may require an individual to undergo medical examination during or following an extended illness, conducted by a medical officer of the Company's choice. The cost of which shall be met by the company and time spent at the examination will count as hours worked.”
“5.6 Additional Sick Leave Credit

An Employee with more than 26 continuous years’ service shall be granted credit up to 13 weeks paid leave.

This credit will only be applied when the employee’s ordinary sick leave accrual has been exhausted. Where the employee only requires a part of the 13 weeks credit, the remaining component will be available at a later date where the employee has again exhausted their normal sick leave accrual.”
technical notes

**method for calculating average annual percentage wage increases (AAWI) per agreement**

The total wage increase granted over the life of the agreement is divided by the number of months for which the enterprise agreement operates. This figure is then multiplied by twelve to generate an estimate of what the increase would be over a twelve month (annual) period. Estimates of average wage increases are calculated for those agreements that provide for a quantifiable wage increase. Not all agreements provide sufficient information to calculate annual wage increases embodied in them. The majority, however, report either what the rate of increase is or provide sufficient information to calculate it. Flat dollar increases are converted to a percentage by either: b) using the weekly rate of pay that applied prior to the new rates under the new agreement to calculate the equivalent percentage amount, or b) contacting the employer party to the agreement (AWAs excepted). Other non-quantifiable wage increases within an agreement, such as those that rely on award increases, inflationary (CPI) movements, or individual staff appraisals to determine quantum wage increases, are not included in these calculations. Where different quantum wage increases are given for different groups of workers within the same agreement, an average quantum wage increase is calculated and used. ACIRRT also uses a simple rather than compound percentage wage increase.

The wage increases are those that affect ordinary weekly earnings (base rates of pay). AAWI figures do not include payments in addition to base rates (such as overtime, bonus payments, one-off annualisation of salaries, performance pay, profit-sharing, allowances etc). Wage agreements whose average percentage increase could not be quantified (eg, those introducing a new salary structure) are also excluded from these estimates.

Due to delays in the registration process, some agreements will only run officially for a couple of months. Where it is apparent that the official duration of the agreement is unduly short (ie. less than 9 months), such agreements are excluded from the calculations so as not to artificially raise the estimate of average annual increases contained in all agreements.

**Sample**

As at December 2002, the ADAM Database has information on 10,280 registered enterprise (collective) agreements from the Federal and State jurisdictions as follows:

Federal (4,911), New South Wales (1,821), Queensland (1,853), South Australia (651) and Western Australia (1044).

The ADAM Database also holds information on federal Australian Workplace Agreements covering 1,282 employers (of the current total of 3,964 employers with approved AWAs).
ADAM REPORT

number 32
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report written by
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about the ADAM Database

Since 1993, ACIRRT has maintained the Agreements Database and Monitor (ADAM), Australia’s most comprehensive and authoritative database of enterprise agreements. With detailed up-to-date information on over 10,280 federal and state enterprise agreements and over 1,200 federal AWAs, ADAM is an invaluable resource that is frequently used by IR/HR practitioners, economic analysts, researchers, policy makers, and academics. Information from the ADAM Database is available in two ways:

1. the quarterly ACIRRT ADAM Report (via purchase of single issues)
2. customised ‘ADAM Special Reports’ which are fee for service reports tailored to your information needs

For more information or a no obligation customised quote call Nicola Parsonage on:
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about ACIRRT, University of Sydney

Based at the University of Sydney, ACIRRT is one of Australia’s leading, multi-disciplinary, research and training organisations. We monitor and analyse the changing nature of work. Integral to this is an examination of the wider institutional, economic and social structures as they impact on the workplace, organisations and individuals. The Centre, over the past 10 years, has retained a broad labour market perspective, and enjoys a reputation for independent, authoritative, rigorous and innovative research. We are proud of the fact that our clients include employers from the private and public sectors, employer associations, unions, community based organisations and both Coalition and Labor Governments.

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