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wage trends

wage increases in June 2002 quarter certified agreements

The average annual wage increase for certified enterprise agreements registered in the June 2002 quarter was 4.2% (per agreement), up by 0.2 percentage points from 4.0% in the March 2002 quarter.

quarterly wage movements in enterprise agreements

Over the previous four quarters (June 2001 to June 2002) average annual wage increases have fluctuated between 4.0% and 4.5% with an average of 4.2%. This represents an increasing trend for wages to stabilise. The average annual wage increase reported in the June quarter 2001 and the June quarter 2002 were both 4.2%. Figure 1.1 illustrates quarterly movements in enterprise agreement wage outcomes over the last four years.

Figure 1.1: average annual percentage wage increases in enterprise agreements: quarterly figures, June 2000 – June 2002

Source: ADAM Database, 2002, ACIRRT, University of Sydney
The March 2002 quarter *ADAM Report* noted an increasing gap between the average annual wage increase in union and non-union agreements. In the June 2002 quarter this gap has slightly decreased with union agreements delivering an average annual wage increase of 4.4% compared to 3.7% for non-union agreements.

**Figure 1.2: June 2002 quarter average annual percentage wage increase, by union party to agreement**

Source: ADAM Database, 2002, ACIRRT, University of Sydney.
high wage outcomes in June 2002 quarter agreements

industry trends

Whilst a number of significantly high wage agreements have been identified this quarter. Of the agreements examined that contained a wage increase of 5% or more, 22.2% came from the mining/construction industry group, 16.7% from metal manufacturing enterprises and 16.7% were in the community services sector. At the other end of the scale, food, beverage and tobacco manufacturers composed only 2.8% of high wage agreements. In the Private sector, industry groups such as recreational and personal services; electricity, gas and water; wholesale/retail trade; transport/storage; and financial services each made up less than 6% of high waged enterprise agreements.

high wage agreements in ADAM

High wage agreements presented interesting initiatives this quarter. In previous quarters, high wage increases were often provided in exchange for the absorption of entitlements such as allowances and overtime payments. Many of the agreements this quarter provide generous wage outcomes in return for the introduction of new classification systems. This may indicate that substantial workplace reform is being implemented in an attempt to increase productivity and efficiency, rather than simply re-working traditional structures of remuneration.

In line with previous quarters was the common inclusion of at-risk pay components in agreements containing higher wages. The high incidence of this type of provision indicates that organisations continue to insist on employees sharing the risk, responsibility and benefits associated with achieving higher levels of productivity.

Table 1.1 highlights these key features in more detail.
### Table 1.1: Key features of higher than average wage increases in March quarter enterprise agreements

<table>
<thead>
<tr>
<th>Industry (AAWI)</th>
<th>Key Provisions</th>
</tr>
</thead>
</table>
| Farm Equipment Manufacturing | • This agreement provides for a base wage increase of 22%. The two components that make up this increase compose a rise of 20% in return for moving off award rates and conditions. The remaining 2% is in recognition of expected CPI increases for the life of the agreement.  
• This agreement also allows for a further base wage increase of 2% which is at-risk. This 2% is composed of 8 productivity modules which each have a value of 0.25%. In order for employees to receive this increase these modules needed to be completed. The content of these modules is to be decided via consultation between management and employees.  
• In exchange for this increase, a new skills-based classification structure was introduced. This structure is to be formulated in conjunction with the consultative committee. |
| Services to Business | • This 24-month agreement provides for an average base wage increase of 15%, in exchange for the introduction of a new competency-based classification. The introduction of this new classification system, will give some employees a base wage increase of up to 30%.  
• Absorption of allowances payable under the Award will be absorbed.  
• An additional 5% base wage increase over the life of the agreement is subject to meeting certain key performance indicator targets (KPI) which will be reviewed to determine whether employees are entitled to any additional increase.  
• The agreement also takes into account movements in CPI. Every twelve months any increase in CPI will be applied to the employees' applicable base rate. |
| Transport industry | • A guaranteed average wage increase of 18.82% is granted over the 24 month period of the agreement, paid over three periods.  
• An increase of 12.8% is paid upon certification, as a result of the enterprise moving off award rates. Two increases of 3% are paid thereafter.  
• The wage rates are inclusive of allowances for money handling and meals.  
• Casual employees party to the agreement may work as few as two hours in any shift. |
| Education sector | • An average compound increase of 23.6% is paid over the three-year life of the agreement. The wage increase is guaranteed, and includes an average wage rise of 4.9% upon certification, and additional increases of 9.1% and 8.0% on the first and second anniversaries respectively.  
• A new classification structure has been incorporated into the agreement, with entry level executives receiving gradually more each year in relative terms than level 2 executives, with both classifications receiving the same rates of pay two years after the agreement comes into operation.  
• The agreement contains relatively low penalty rates for weekend work and casual loading. Employees working on Saturday receive 125% of the normal rate of pay; whilst those working on Sunday are paid at 150% of their usual hourly rate. Casual employees receive a loading of 15%, a relatively low figure by current standards.  
• Employees’ sick leave entitlements are also quite low, receiving five days paid leave per annum. |
| Food manufacturing sector | • A maximum wage increase of 6% may be gained over the 12 month duration of the agreement, composed of both guaranteed at-risk components.  
• A guaranteed wage increase of 4% is paid on certification, with 1% of this increase given in return for improvements to productivity and efficiency.  
• A total at-risk payment of up to 2% is granted in quarterly increments if certain ‘shop floor control’ targets are met. |
| Transport industry | • A guaranteed average wage increase of 18.82% is granted over the 24 month period of the agreement, paid over three periods.  
• An increase of 12.8% is paid upon certification, as a result of the enterprise moving off award rates. Two increases of 3% are paid thereafter.  
• The wage rates are inclusive of allowances for money handling and meals.  
• Casual employees party to the agreement may work as few as two hours in any shift. |

Source: ADAM Database, 2002, ACIRRT, June 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 the June 2002 quarter was 3.9%, slightly down on the previous quarter of 4.0%.

There has been little change since the previous ADAM Report. Figure 1.3 shows that for third consecutive quarter the construction industry, appears to be leading the wage outcomes, delivering an average annual wage increase of 4.7%. The mining industry again provides the lowest AWWI of 3.3%.

Figure 1.3: wage increases in currently operating agreements, by industry

Source: ADAM Database, 2002, ACIRRT, University of Sydney, (n=1881).
Note: * Current agreements include all enterprise agreements which have not reached their stated nominal expiry date as at end June, 2002.
special issue – enterprise agreements and weekend work

The emergence of the extended working week has altered the way we look at ordinary hours of work. This special issue of the ADAM Report takes a closer look at weekend work in agreements.

how agreements can change the “normal working week”.

Weekend work has, over past decades, been regarded by many as outside the normal pattern of working time arrangements in most industries. For the majority of employees, ‘ordinary hours of work’ were between Monday and Friday. Notable exceptions have been employees in emergency services, hospitality and restaurants, mining and agriculture. Yet Monday to Friday work is a relatively recent phenomena with weekend work that involved at least Saturday mornings being commonplace in Postal Services, Banking and Manufacturing up to thirty years ago. Yet even where weekend work was expected, traditionally awards and agreements provided for an additional allowance or penalty rate to employees working weekends.

An examination of 1906 current agreements, suggests that the ordinary working week is changing yet again. A significant proportion of current agreements now provide for an ordinary working week that includes Saturday or/and Sunday. In other words there are no additional payment or loadings paid for employees working on weekends, giving employers greater flexibility in how they deploy labour without the cost burden of paying penalty rates traditionally associated with weekend work.

evidence from collective agreements

An examination of the ADAM data-base finds that over half (57%) of all current agreements specify what constitutes the ordinary working week.

We found that 24 per cent of all current certified agreements provide for ordinary hours of work to be either from Monday to Saturday or Monday to Sunday. This does not mean that all these enterprises are open on weekends or that all employees in the organization are required to work on weekends for no additional pay, but it does suggest that this option is now open to almost a quarter of all employers with a registered agreement. It also suggests that the normal working week, at just over 24 per cent of organisations with agreements, may include at least one weekend day. Effectively in these organisations, if employees are required to work on a Saturday or Sunday, they do not receive any additional payment or loading on wages.
The provision that treats the weekend as part of the ordinary work week does not necessarily imply a lengthening of the work week. It does suggest, however, that employees covered by these provisions may be routinely asked to work Saturdays and/or Sundays as part of their normal working week.

The majority of these ‘weekend’ agreements are concentrated in four industry groupings; Mining and Construction, Wholesale and Retail Trade, Community Services and Recreation and Personal services. When we compare these agreements to those that have the ordinary working week as Monday to Friday we find a higher proportion of “weekend” agreements are non-union agreements (32%) than is the case in “Monday to Friday “ agreements (23%). Weekend agreements are also more likely to provide for averaging of hours provisions (36% compared to 27%). As mentioned above, while weekend work does not necessarily mean longer hours of work for employees 14 per cent of weekend agreements also provide for total weekly hours of work of more than 38 hours compared to 7 per cent of Monday to Friday agreements. Weekend agreements were, however, less likely to provide for a daily span of hours of 12 or more hours (44%) compared to agreements that specified ordinary hours as Monday to Friday (73%).

About one third of Weekend agreements provided provisions that specified a maximum number of hours that may be worked compared to only 4% of Monday to Friday agreements that had such provisions. Looking only at weekend agreements that also specified a maximum number of weekly hours the vast majority provided for maximum hours of 58 or more per week.

Finally, less than a quarter (23%) of weekend agreements had RDO provisions in contrast to 57% of Monday to Friday agreements. The weekend agreements also provided for slightly lower average annual wage increase 3.6% compared to 4.0%).

**what are the workplace outcomes?**

The findings raise a number of issues. First, we do not know from the incidence of weekend provisions how many employees actually work on weekends as part of their normal pattern of employment. It may well be that the provision applies to all employees, only some staff or is only used at certain times. Second, while at face value the provisions seem to reduce earnings of employees who previously received a loading for working on weekends, base rates may have been adjusted to compensate for the removal of weekend loading leaving overall earning largely unaffected. The effect of such provisions on employee earnings is that, because adjusting base rates to compensate for the removal of weekend loadings is normally done by averaging of weekend work to calculate a new base rate those that work less than the average are better off but those that work more than the average that has been compensated for are financially disadvantaged through the absorption of loadings into a higher base rate.
Finally, the more difficult issue for both organisations and employees moving towards a ‘normal’ 6 or 7 day work week pattern are the difficulties of balancing work and family responsibilities.

One the reasons that loadings were introduced in awards was to compensate employees that had to work on weekends for the hardship and disruption weekend work caused to employees family/social life. The Australian Bureau of Statistics estimates that just over 10 per cent of employees in Australia working in a job at some time on weekends this suggests that while most employees working on weekends the rest of their family is not. The consequences of the loss of family/social time together may be wider and more difficult to address.

Table 1.2 Incidence of weekend work provisions in currently operating enterprise agreements industry

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>% of agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining / Construction</td>
<td>27.0</td>
</tr>
<tr>
<td>Food Beverage &amp; Tobacco Manufacturing</td>
<td>5.0</td>
</tr>
<tr>
<td>Metal Manufacturing</td>
<td>3.5</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>7.9</td>
</tr>
<tr>
<td>Electricity Gas and Water</td>
<td>0.4</td>
</tr>
<tr>
<td>Wholesale/Retail Trade</td>
<td>10.7</td>
</tr>
<tr>
<td>Transport/Storage</td>
<td>7.6</td>
</tr>
<tr>
<td>Communications</td>
<td>0.2</td>
</tr>
<tr>
<td>Financial Services</td>
<td>6.1</td>
</tr>
<tr>
<td>Public Administration</td>
<td>3.7</td>
</tr>
<tr>
<td>Community Services</td>
<td>15.7</td>
</tr>
<tr>
<td>Recreation and Personal Services</td>
<td>9.6</td>
</tr>
</tbody>
</table>

Source: ADAM Database, 2002, ACIRRT, University of Sydney.
sample clauses

RECREATIONAL AND PERSONAL SERVICES

“5: HOURS OF WORK AND ROSTER ARRANGEMENTS

(a) Subject to clause (b) below, ordinary hours of work for all full-time permanent employees shall be 40 hours over a 7-day period with a flexible roster that will meet the needs of the employer as determined by the Department Manager. Employees will be rostered on shifts to meet the operational requirements of ensuring maximum utilisation of vessels and service availability.

(b) (i) Notwithstanding clause (a) above, an employee may agree with the employer to work up to 60 hours in any 7-day rostered week and such hours shall be paid as ordinary hours.

(ii) An employee may agree with the employer to work in excess of 60 hours in any 7 day period but any hours worked being hours over 60 hours in a 7 day rostered week shall be paid at ordinary rates or double time as agreed with the employee.

(iii) An employee will not normally be expected to work more than 16 hours in any one-day. If however this does occur the hours worked shall be paid at ordinary rates or double time as agreed with the employee.”

RETAIL SECTOR

“13. Hours of Work

(a) Ordinary hours of work for full time employees are a minimum of thirty eight (38) per week over five (5) shifts. Ordinary hours of work may be worked on any five (5) days of seven (7) in a week, and rosters will include weekdays, weekends, evenings and public holidays.

(b) Subject to special circumstances set out in sub clauses, 13(e), 13 (g) and 13(h), a maximum of twelve (12) ordinary hours may be worked on any day.

(c) Subject to the special circumstances set out in sub clauses 13(g) and 13(h) hereof, the spread of ordinary hours is 8.00 am to 1.00 am (the following morning).

(d) Rosters will be proposed by store managers, approved by district managers and communicated to employees at least two (2) weeks in advance.

(e) If an employee is required to work in excess of rostered time due to emergencies or other unforeseen circumstances (eg. employee illness), the employee will be entitled to equivalent time off in lieu for any time worked in excess of rostered time.
(f) An employee who is unable to attend work for their rostered shift, must advise the Company at least three (3) hours prior to the commencement of the shift that they are unable to attend.

(g) Inventories are undertaken outside normal store opening and closing times and usually within the spread of ordinary hours. Employees are expected to participate in these inventories as part of their management and supervisory responsibilities, and time worked on inventories is counted as an employee's ordinary hours.

(h) In the event of an after hours security call, an employee may from time to time, be required to attend the store after hours. Attendance at security incidents shall be counted as ordinary hours. However, the employee will be entitled to an equivalent amount of time off work in lieu of the amount of time spent attending the security incident. The amount of time the employee attends the security incident shall be counted from when the employee leaves home. If the amount of time attending the security incident is less than half an hour, the employee will be entitled to a half hour time off work in lieu. Such time off in lieu is to be taken within twenty-eight (28) days of date of the security incident.”

**CONSTRUCTION INDUSTRY**

**“HOURS OF WORK**

The ordinary hours of work prescribed in this Agreement may be worked on any day or all the days of the week Monday to Sunday by mutual agreement through the Consultative Committee.

The ordinary hours of work prescribed shall be worked continuously except for meal breaks, between 6 a.m. and 6 p.m.

The actual ordinary hours of work to be performed on any day will be determined by agreement between the employees and the employer. Ordinary hours may exceed 8 on any day but shall not exceed 12 hours on any day.”
leave innovations

Several agreements this quarter offer innovative leave provisions. There is a significant focus on providing pooled leave entitlements as well as relatively generous entitlements. This type of innovation represents a move away from the more traditional types of leave provisions. The following leave entitlements have been tailored to suit employees’ personal needs, with increased focus on the needs of primary care givers and female employees.

The first agreement, from the educational services sector, provides for differing types of personal/sick leave. The agreement allows a generous amount of paid sick leave for non-work related illness or injury. These entitlements signal a shift towards quality of life concerns.

The second agreement, from the automotive services industry, grants employees graduated amounts of bereavement leave, based on the employee’s relationship to the deceased. If the death is within the employee’s immediate family, additional leave is granted for traveling purposes. In addition, the employee can access graduated amounts of annual leave. This additional leave entitlement highlights ways in which enterprise agreements can provide flexibility for events in employees’ personal lives.

The third and fourth agreements provide for the conversion of annual leave loading into an extra leave entitlement. The first agreement, from the higher education sector, gives the employee a choice as to whether or not to utilise this option. The second agreement, from the metal manufacturing industry, makes use of a pooling arrangement of annual leave and leave loading and sick leave. This provides the employee with access to a greater amount of sick or personal leave. As a greater amount of annual leave becomes available if less personal leave is taken, possibly effecting absenteeism.

The fifth agreement, from a union agreement, provides large amounts of leave in all areas. Increased amounts of annual leave and bereavement leave and separate high entitlements to personal and carers’ leave are granted. The agreement also provides for a career break of up to seven years for the purposes of child rearing. This is of especial benefit to primary caregivers.

**EDUCATIONAL SERVICES SECTOR**

“Duty Contracted Illness

Where an employee is absent from duty suffering from a contagious disease and produces a medical certificate supported by a statement from a medical practitioner
that in all probability the disease was contracted while the employee was on duty as a result of his/her contact with clients or staff, the employee will be granted special leave with pay not debited to sick leave credits. The leave granted under this clause shall not exceed 52 weeks either at one time or in broken periods for a particular disease.”

**AUTOMOTIVE SERVICES INDUSTRY**

**“7.2 BEREAVEMENT LEAVE**

Employees are entitled to paid bereavement leave of up to:

1. 2 days upon death of a parent, parent-in-law, sibling, sister-in-law, brother-in-law, grandparent or grandchild
2. 5 days upon the death of a partner (spouse or de facto spouse of either gender) or child (or stepchild)

Where an employee can demonstrate the requirement to travel for bereavement purposes they will be entitled to the following additional paid leave:

- 1 day for return of approximately up to eight hours
- 2 days for return travel in excess of eight hours

In the event of the death of an employee’s partner (spouse or de facto spouse of either gender) or child an employee is entitled to access up to one month of annual leave, sick leave or leave without pay without the normal authorisation requirements. A medical certificate is not required for this leave to be approved.

In the event of the death of relatives other than partner or child (identified in 7.2(i)), an employee is entitled to access up to one week of annual leave, sick leave or leave without pay without the normal authorisation requirements. A medical certificate is not required for this leave to be approved.”
**HIGHER EDUCATION SECTOR**

“30. Voluntary Scheme for the Substitution of Annual Leave Loading for Extra Holidays

... 

30.2 Staff participating in this scheme will receive three and one half (3.5) days leave in addition to annual leave. These three and a half extra days leave will be taken in accordance with normal University leave processes, but are non-cumulative and must be taken prior to 31 December in any given year.

30.3 The additional three and one half (3.5) days leave granted pursuant to this clause will not attract penalty rates if staff work on any one of these days.

30.4 In return for the granting of these additional three and one half (3.5) days leave the staff member shall forfeit his/her entitlement to the payment of annual leave loading in the year in which the leave is taken.”

**METAL MANUFACTURING INDUSTRY**

“6.2 Paid Time Off

The calculation for PTO accrual involves the appropriate annual leave and sick leave entitlements based on industry standards:

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Annual Leave:</td>
<td>200 hrs</td>
<td>(20 days x 10 hrs)</td>
</tr>
<tr>
<td>Leave Loading 17.5%</td>
<td>35 hrs</td>
<td>(17.5% of 200 hrs)</td>
</tr>
<tr>
<td>Sick Leave:</td>
<td>80 hrs</td>
<td>(8 days x 10 hrs)</td>
</tr>
<tr>
<td>Total</td>
<td>315 hrs</td>
<td></td>
</tr>
</tbody>
</table>

ie: 315 hrs divided by 26 work cycles/year = 12 hrs/work cycle

PTO is accrued for each team member for each fortnightly work cycle on a pro-rata basis of 12 hours. This forms the team member's PTO account.

Each time the team member takes leave the project salary is maintained while the PTO account is reduced by the number of hours taken.

... 

a) Accrual of Paid Time Off

PTO accrues at the rate of 12 hours per work cycle. This means that provided there is no leave taken during the period the team member's PTO account will increase by 12 hours each fortnight.
There is no accrual for any Additional Time worked.

Accrual continues during periods of PTO leave and authorised unpaid time off.

The 12 hours per work cycle is increased to 15 hours for any full work cycle where a team member is engaged on shift work, see calculation below:

Shift Work PTO:
Annual Leave: 250 hrs (25 days x 10 hrs)
Leave Loading 22% 55 hrs (22% of 250 hrs)
Sick Leave: 80 hrs (8 days x 10 hrs)
Total 385 hrs

ie: 385 hrs divided by 26 work cycles/year = 15 hrs/work cycle

b) Utilisation of Paid Time Off

When a team member takes paid leave the salary is maintained at the fortnightly work cycle level but the PTO account is reduced by the amount of the period of absence.

For full day absences, PTO is used up at the rate of 10 hours per day.

The following examples illustrate the intent of PTO utilization:

Annual Leave - Five Days Taken
The team member's fortnightly salary is maintained at the normal fortnightly level and the team member's PTO account is reduced by 50 hours.

Other Personal Leave
The team member's fortnightly salary is maintained at the normal fortnightly level while the team member's PTO account is reduced by the period of hours/days of leave.

c) Unused Paid Time Off

When employment is terminated, the unused accrued PTO shall be paid to the team member as a termination payment at the Base Rate.”
**UNION SECTOR**

“16.1 Annual Leave

All employees shall be entitled to 34 days annual leave.

16.3 Sick Leave

16.3.1 Employees shall be credited with 20 days sick leave upon commencement and a further 20 days after each year of paid employment. This does not include any period of employment where an employee is absent from duty on make up pay under Workers Compensation.

(i) Unused sick leave credits shall be cumulative from year to year.

(ii) Medical certificates shall be provided to the Branch Secretary for any absence of three or more consecutive days. The Branch Secretary may require an employee to provide a medical certificate in relation to a particular absence or absences.

16.3.2 Upon the recommendation of a sick leave committee consisting of the Branch Secretary, Deputy Branch Secretary and two nominees of (the organisation), Branch Executive may, in exceptional circumstances, allocate an employee additional sick leave credits.

16.3.3 Should an employee subsequently return after resignation they shall have 50% of their previous sick leave entitlements or 35 days, whichever is the greater, recredited.

16.3.4 Subject to the agreement of the Branch Secretary, where an employee on sick leave provides a medical certificate certifying fitness to resume on alternative duties, that employee may be permitted to resume where an appropriate time fraction and role can be determined.

16.4 Maternity/Paternity/Adoption Leave

16.4.1 An employee of the (Organisation) shall be entitled to 12 consecutive weeks paid maternity leave in relation to their giving birth to a child. Normally that shall be six weeks before and after the anticipated date of birth.

16.4.2 Five days paternity leave with pay can be taken within the period one week prior to the anticipated date of birth to six weeks after. Leave can be one week, or in daily allotments.

16.4.3 An employee shall be entitled to up to six weeks paid adoption leave. The employee shall provide evidence of being an adoptive parent to the Branch Secretary.
16.5 Family Leave

Employees shall be eligible for a total of seven years of family leave for the purpose of child rearing.

16.5.1 Employees on family leave must have the approval of the Branch Secretary to accept alternative employment.

16.5.2 Leave shall be available to an employee when the employee:

(i) becomes a parent;

(ii) becomes a legal guardian;

(iii) adopts a child.

16.5.3 Except in special circumstances notified to the Branch Secretary, an employee shall give at least three months notice of intention to take family leave.

16.5.4 An employee shall notify the Branch Secretary by November 1 in the year preceding the intended date of return, or at such other times as the Branch Secretary approves, provided that applications on hardship or compassionate grounds shall not be unreasonably refused.

16.6 Carer's Leave

16.6.1 Employees shall be entitled to up to ten days per year Carer's Leave with pay to facilitate attendance to immediate family or household in cases of injury or illness. The Branch Secretary may require evidence to support the application for leave. Such leave shall be debited against sick leave credits.

16.6.2 Immediate family includes partner, former partner, spouse, former spouse, de facto spouse or former de facto spouse, child or adult child, (including an adopted child, step-child or ex nuptial child), parent (including step-parent), grandparent, grandchild or sibling of the employee or the employee's spouse.

16.7 Bereavement Leave

Up to 10 days per annum leave with pay may be approved by the Branch Secretary on account of the death of one of the employee's immediate family or household. Immediate family includes partner, former partner, spouse, former spouse, de facto spouse, former de facto spouse, child or adult child, (including an adopted child, step child or ex nuptial child), parent (including step parent), grandparent, grandchild or sibling of the employee or the employee's spouse.

16.7.1 The Branch Secretary may grant leave with pay where the death is of
(i) a person with whom the employee had a special relationship;
(ii) a foster parent or child;
(iii) a relative who has taken the place of a parent;
(iv) a relative residing with the employee at the time of the death; or
(v) other special circumstances where the employee is the only relative of the deceased person and is the only person available to make the funeral arrangements.

16.7.2 Bereavement leave would normally be granted for up to one day to attend the funeral. Where the circumstances demand, the Branch Secretary may approve leave of up to three days.

16.7.3 In exceptional circumstances the Branch Secretary may extend the leave beyond three days provided the total bereavement leave in any year does not exceed ten days.

16.7.4 Bereavement leave is not cumulative.”
performance and productivity

The first agreement, from the paper manufacturing industry, provides a bonus scheme based on occupational injury rates. Employees are provided with shopping vouchers if no “Medically treated injuries” or “Lost time injuries” occur. These measurements do not refer to the occurrence of industrial injuries, but on injuries being reported as requiring medical treatment, or on lost time as a result of injury. Payments are group-based, any injury reported means no employee will receive the bonus. Provisions such as this require careful monitoring to ensure that occupational health and safety standards are not compromised for example, by the under reporting of occupational injuries.

The second enterprise agreement is from the plastics manufacturing industry. This agreement allows employees to convert accrued sick leave to annual leave, which does not attract annual leave loading. In order to safeguard these entitlements Employees must accrue a substantial amount of sick leave before being able to convert it to annual leave. This provision benefits both employer and employee; employers have the benefit of being able to plan for scheduled employee absences, while eligible employees have access to longer recreation leave.

The third agreement, from the construction industry, provides a monetary allowance in lieu of payment for sick leave. Entitlements of more than one years’ sick leave (ten days) can be converted into a weekly allowance. This provides a monetary benefit for eligible employees while allowing enough sick leave in reserve to cover protracted illness. Arguably, however, such an arrangement gives incentive for under reporting illness and injury.

The last agreement is from a union staff agreement. It provides for wage increases and gainsharing based on organisational performance. Importantly it also provides for a base wage increase created by the relevant award rather than relying solely on performance-based increases. This provides workers with a guaranteed increase in line with economic growth and inflation.
“14. SAFETY INCENTIVES

A no "Medically Treated Injury" (M.T.I.) and "Lost Time Injury" (L.T.I.) incentive is currently in operation.

Following each consecutive 3 month period that no M.T.I.'s or L.T.I’s have occurred all permanent employees receive a (Company) Cash Voucher commencing with $25 each for the first 3 months followed by $50-$75-$100 respectively.

At the end of each 12 months that no M.T.I.'s or L.T.I's have occurred and the final payment of $100 voucher has been made, the incentive will remain at $100 for each consecutive 3 months that no M.T.I.’s or L.T.I’s occur.

At anytime during the course of the year should an employee have the misfortune of having an accident that results in an M.T.I. or L.T.I. occurring, then all employees forgo receiving their incentive for that 3 month period in which the accident occurred and from the beginning of the following month the incentive recommences at $25 each.

A full 12 month period of no Medically Treated or Lost Time Injuries will result in each employee receiving in total $250.00 worth of (Company) cash Vouchers.

This will increase to $400 p.a. for each additional 12 month period that no injuries occur.”

“10.3 Conversion of Sick Leave to Annual Leave Incentive Scheme

(The Company) will allow employees the ability to convert unused accumulated sick leave to annual leave subject to the following conditions:

- The “date of conversion” is the date actually used
- Sick leave accumulated cannot fall below fifteen (15) days unused at the date of conversion. This ensures adequate sick leave provision in the event of prolonged illness.
- The maximum amount of days converted each calendar year is limited to five (5) days per year.”
CONSTRUCTION INDUSTRY

“An employee can choose to have future accrued sick leave paid as an allowance at the rate of 3.85% of the base rate of pay according to their classification.

The allowance can only be paid after the completion of 12 months service and when there is an accrual of 10 sick leave days. Should an employee need to take sick leave during the first 12 months of employment, the allowance will not be paid until after the accrued sick leave reaches 10 days. Sick leave is accrued at the rate of 1 day for every 26 days worked.”

UNION SECTOR

“8. SALARIES

...

From the (certification of this agreement) a productivity component shall be an addition to the base salary in the circumstances described hereunder. This component will be calculated annually by converting 10% of the money received in the previous year as a result of increases in membership calculated from the 1/1/2002 membership base to a percentage increase in the salary of employees. This productivity component attracts superannuation. Should the membership level drop below the 1/1/2002 base, there shall be no payment available under the productivity component.

8.2 A salary supplement shall apply to all employees to reward them for any increase in the total number of financial members of the (Union): At the end of each union financial year, 50% of the total amount of money received as a result of any increase in membership in that year shall be redistributed to employees. This pool of money will be divided among staff using the following formula:

(Pool of Money No. of EFT Employees) x Time Fraction.”
employee consultation

Enterprise agreements are often used to detail formal forms of consultation between employers and employees. Previous ADAM Reports have reported an increase in the formalisation of employee participation mechanisms included in union negotiated agreements.

The agreement from the printing industry has emphasized the use of employee input in performance management. Employees organised in work groups are able to participate in reverse appraisals of their superiors. This highlights a significant shift away from the traditional top down method for employee appraisals, which arguably encourages employees to take a more participatory approach to performance management.

The second agreement, provides for employee input into filling staff vacancies. This agreement outlines procedures for staff vacancies as well as the composition of the selection panel. There is one employee member on the selection panel, but it is important to note that this process provides only for a “union nominated” employee.

PRINTING INDUSTRY SECTOR

“9 PERFORMANCE MANAGEMENT

9.1 Performance management at (The Company) assists to develop and maintain a team member's performance by identifying learning needs and recognising learning achievements. Performance measures are clear and reflect our key performance goals.

9.2 The performance management process

…

9.2.4 provides a tool for team members to evaluate themselves on the same criteria as the team leader and/or manager evaluates them

…

9.2.6 ensures a team member's privacy, and

9.2.7 allows for reverse appraisal, that is the team member can evaluate the team leader or the manager's performance.

9.4 Team members will participate in the necessary learning to ensure an understanding of the purpose and process of performance management.”
UNION SECTOR

“27. STAFF VACANCIES

Following consultation with (Union), all staff vacancies determined by the employer shall be advertised at the earliest opportunity unless otherwise agreed by the employer and (Union). Employees who apply and meet the mandatory criteria for the position shall be granted an interview.

27.1 Selection Panels

27.1.1 All (occupation) selection panels shall be composed of-

(i) Branch President or nominee

(ii) a nominee of Branch Executive

(iii) Branch Secretary or nominee

(iv) an employee nominated by (Union)

Recommendations shall be made to Branch Executive.

...

27.1.3 All selection panels shall reflect gender balance.

27.2 The following procedures shall apply in the appointment process for both Administrative Staff and Professional Officers:

27.2.1 An interview must be conducted prior to the filling of positions.

27.2.2 This interview procedure need not apply where the vacancy allows for reallocation of duties within a workgroup, or where positions have similar Job descriptions.

27.2.3 All members of selection panels shall be involved in all stages of the process.

27.2.4 All selection shall be merit based.

27.2.5 Successful applicants for employment must demonstrate an understanding and knowledge of issues relating to equal employment opportunity.”
casual employment

Provisions concerning casual employees and their rights have emerged as a consistent focus of enterprise agreements. Some agreements have sought to provide casual labour with employment benefits mostly associated with permanent employees, such as TOIL, parental leave, and severance pay. Increased use of casual employment has, in some instances, led to strategies aimed at improving working conditions for casual workers, and improving quality of life.

The first agreement, from the construction industry, provides casually and seasonally employed workers with limited severance pay after 6 months service. They are treated more generously than permanent workers’ who receive severance pay only after 12 months continuous service.

The second agreement, from the agricultural industry, allows casuals to bank hours over a work cycle. This gives them a consistent rate of pay over a cycle. This enables casual workers to take time off work for personal or holiday reasons without reducing their weekly “wage”. It recognises that casual workers at this workplace are being employed on an ongoing basis and are subject to similar conditions and stresses as permanent workers.

CONSTRUCTION INDUSTRY

“25. SECURITY OF EMPLOYMENT

It is a standard objective of the parties that there should be no involuntary redundancy of any employee covered by this Agreement for the duration of this Agreement. If there are to be any chances to employment levels then the parties will endeavour to resolve the issue by full consultation.

Redundancy

From the date of this Agreement the following redundancy payout will apply:

<table>
<thead>
<tr>
<th>Period of Continuous Service</th>
<th>Entitlement if made Redundant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>Nil</td>
</tr>
<tr>
<td>1 Year but less than 2 years</td>
<td>4 weeks</td>
</tr>
<tr>
<td>2 Years but less than 3 years</td>
<td>6 weeks</td>
</tr>
<tr>
<td>3 years but less than 4 years</td>
<td>7 weeks</td>
</tr>
<tr>
<td>4 Years but less than 5 years</td>
<td>8 weeks</td>
</tr>
<tr>
<td>5 Years to 20 years</td>
<td>1 week for each year of service</td>
</tr>
</tbody>
</table>

In addition a casual employee or seasonal employee shall receive 1 week's pay, if the employee worked for (Company) for at least 6 months but less than 1 2 months.
Maximum Entitlements - 26 weeks

On Redundancy an employee shall be entitled to payment of 50% of unused sick leave or four weeks of unused sick leave whichever is the greater.

All avenues will be exhausted for alternative employment before the option of redundancy is applied. The Enterprise Consultancy Committee will meet to discuss alternatives before redundancy occurs.”

**Agricultural Industry**

"11 Banking of Hours

Casual and Part-Time pickers are entitled to have the option, with the Employer’s agreement, to bank hours, in order to achieve a consistent pay rate over a cycle.

Any hours worked over 20/25 can be banked, and employees paid those hours in weeks in which they work lesser hours, or are not able to work because of sickness or holidays.

Thus for example if an employee works as follows:

<table>
<thead>
<tr>
<th>Works</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20 hrs</td>
<td>25 hrs</td>
<td>15 hrs</td>
</tr>
<tr>
<td>Paid</td>
<td>20 hrs</td>
<td>20 hrs</td>
<td>20 hrs</td>
</tr>
<tr>
<td>Banked</td>
<td></td>
<td>5 hrs</td>
<td></td>
</tr>
</tbody>
</table>
other innovations

Significant innovative clauses have been found in an agreement regulating the conditions of employees work in a union. The agreement offers any employee who relocates to a new work location, a comprehensive and generous range of entitlements and reimbursements. In particular employees may be reimbursed for the cost of stamp duty incurred in purchasing a new residence.

The union agreement also provides an innovative severance payment scheme. The traditional system of severance pay, based on weeks per year of service, this provision is based on a percentage of the current gross salary per year of service. For short-term employees this provides a minimum payment of either 7% of their current gross salary or 5 weeks pay whichever is greater. Employees who have accrued over 5 years’ service will receive a higher percentage per year of service on their current gross salary. This innovative severance pay scheme provides a good example of the shift away from traditional methods of labour management to new innovative practices.

A public sector agreement provides an innovative clause that actively encourages employees to participate in health and fitness courses. This clause provides $99 for health related courses or the cost of the annual membership at a Health and Recreation Centre.

An agreement from the scientific research sector includes an innovative practice in relation to the payment of salaries. It provides for the reimbursement of a penalty imposed by a financial institution resulting from late payment of wages. It benefits employees and also provides the employer with an incentive to ensure the deposit of wages at the correct time.
**UNION**

**“12. REMOVAL EXPENSES”**

12.1 An employee who may reasonably be expected to need to change their place of residence upon commencing with the (Employer) or when moving to another office to take up an appointment shall be entitled to travel and removal expenses. The application of this subclause shall require the agreement of the Branch Secretary.

12.2 The actual cost incurred on removal of normal household effects (including packaging) will be paid by the employer provided the employee submits three quotes to the Branch Secretary, who shall decide which quote is acceptable.

12.3 The employer will meet the cost of in-transit insurance of household effects up to a maximum value of $100,000.

12.4 Reimbursement of travel meals and accommodation expenses (including for spouse, children or dependents) shall be paid in accordance with the rates specified by this Agreement.

12.5 Where entitlement exists under Clause 12.1 for the reimbursement of travel and removal expenses, an employee shall be entitled to a re-establishment allowance of $600.

12.6 Where entitlement exists under Clause 12.1 an employee shall be entitled to reimbursement of the actual cost of stamp duty paid to purchase a residence for permanent occupation at the new location; or to purchase land for the purpose of erecting a residence for permanent occupation at the new location provided that:

(i) evidence, satisfactory to the Branch Secretary, of such a purchase is produced; and

(ii) the employee enters into occupation of the residence within 24 months of the date of such promotion or transfer.

12.7 Where entitlement exists under clause 12.1 an employee shall be granted leave without pay for up to three days to effect the removal.

**UNION**

**“30.4 Severance Payments”**

30.4.1 For a period of service less than or equal to five (5) years, 7 1/2% of current gross salary for each year of service and pro rata for part years
30.4.2 8 1/2% of current gross salary for those years of service and pro rata for part years in excess of five (5) years.

30.4.3 In the case where an employee reaches 45 years of age, for each year of service and pro rata for part years attained after that age, 10% of current gross salary shall apply.

30.4.4 Where an employee has full and/or part-time salary, the years of service shall be aggregated to equivalent full-time years of service.

30.4.5 Employees who are redundant after a short period of employment shall be offered 7% of current gross salary or 5 weeks pay, whichever is the greater. (Except for those employees who have attained 45 years of age, where 10% of current gross salary shall apply).

30.4.6 Payment for all long service leave credits (regardless of years of service). If an employee so chooses the employer will provide for the portability of long service leave credits to another employer, where practicable.

30.4.7 Payment of accrued annual leave and pro rata payment of holiday loading.”

PUBLIC SECTOR

“Encouraging staff fitness

17.9 The (Employer) recognises that staff who are in good health are likely to be more productive in the workplace. To promote good health, staff may be reimbursed up to the value of $99 per year (or the annual membership cost at the (Employer) Health and Recreation Centre) for participation, in their own time, in one or more of the following related activities:

(a) fitness programs, or beneficial fitness/recreation activities;

(b) quit smoking programs;

(c) health checks; or

(d) stress management programs.”
SCIENTIFIC RESEARCH SECTOR

“19. Payment of Salaries

Payment will be by fortnightly electronic funds transfer into an appropriate financial institution of the employees' choice.

Where the employee suffers a financial institution imposed penalty because of a late deposit of wages which is not the fault of the employee, the Company will reimburse, on the production of suitable evidence, any financial penalty incurred.”
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 is it 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 June 2002, the ADAM Database has information on 10,047 registered enterprise (collective) agreements from the Federal and State jurisdictions as follows:

Federal (4,792), New South Wales (1,802), Queensland (1,792), South Australia (638) and Western Australia (1,023).

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 31
December 2001

report written by

Ron Callus, Nicola Parsonage, Troy Sarina, Chris Wright and Alicia Pearce. Coding and data entry by Alicia Pearce, Troy Sarina, and Chris Wright.

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 10,000 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:
Ph: 02 9351 5713
Fax: 02 9351 5615
Email: n.parsonage@econ.usyd.edu.au

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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