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# Agreements Database And Monitor REPORT

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## wage trends

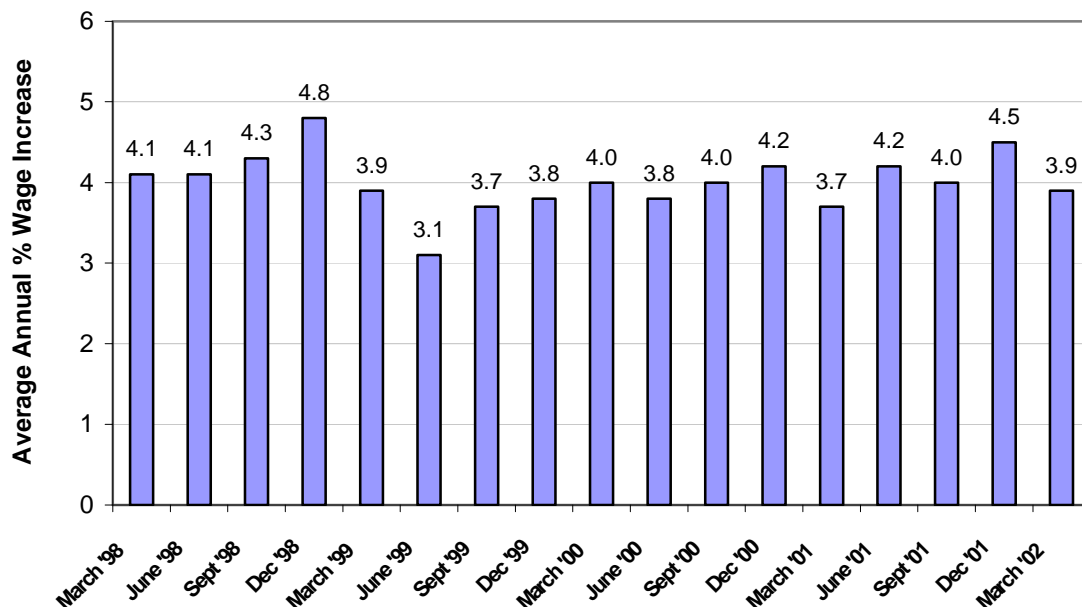
**wage increases in March 2002 quarter certified agreements**

The average annual wage increase for certified enterprise agreements registered in the March 2002 quarter was 3.9% (per agreement), down by 0.6 percentage points from 4.5% in the December 2001 quarter.

**quarterly wage movements in enterprise agreements**

In the December 2000 quarter it was noted that the average annual wage increase broke the 4% barrier for the first time in two years (eight successive quarters). Since this time figures have been unstable, fluctuating between 3.7% in the March 2001 quarter and 4.5% in the December 2001 quarter. Figure 1.1 illustrates quarterly movements in enterprise agreement wage outcomes over the last four years.

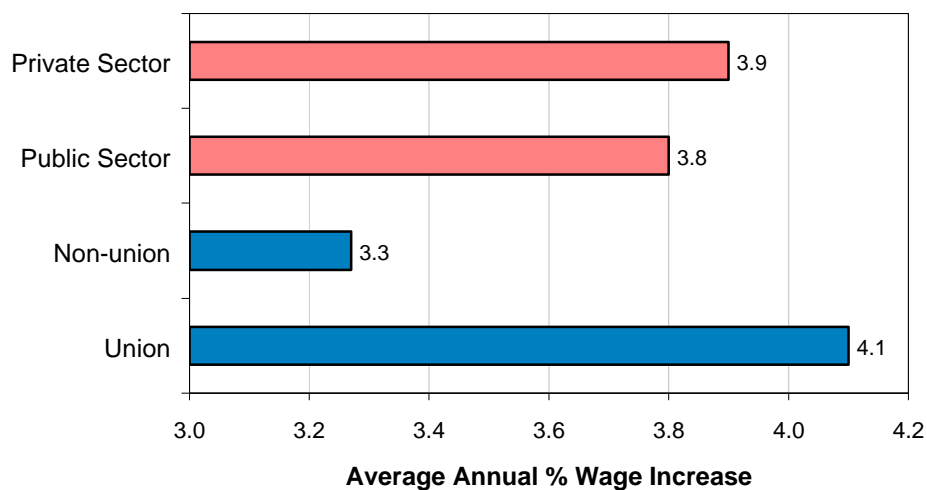
**Figure 1.1: average annual percentage wage increases in enterprise agreements: quarterly figures, December 1998 – March 2002**



Source: ADAM Database, 2002, ACIRRT, University of Sydney

Figure 1.2 below shows that private sector agreements approved in the March 2002 quarter delivered a higher average annual wage increase than public sector agreements (3.9% and 3.8% respectively). In the December quarter *ADAM Report* a narrowing gap was noted between the average annual wage increase in union and non union agreements. In the March 2002 quarter this gap has increased with union agreements delivering an average annual wage increase of 4.1% compared to 3.3% for non-union agreements.

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



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

## high wage outcomes in March 2002 quarter agreements

The key features in high average annual wage increases in agreements this quarter follow on from the previous *ADAM Report*. As was the case last quarter, the absorption of allowances and penalties that are usually paid in addition to an employee's salary was commonly found in agreements with high wage increases. This was especially the case with overtime payments. Two agreements that were identified, specified that a reasonably substantial amount of overtime must be worked before employees are entitled to be paid at penalty rates. Furthermore, at-risk increases relating to performance improvements and the achievement of KPI targets were also common, continuing in the trend from last quarter.

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**

Industry (AAWI)	Key Provisions
Building construction industry (AAWI 15.6%)	<ul style="list-style-type: none"> <li>? A total wage increase of 26% is paid over the life of the agreement. This consists of a 20% increase on certification, and two further increases of 3% during the remainder of the agreement.</li> <li>? The wage rates prescribed absorbs all travel/fares, multi-storey and special rates allowances.</li> <li>? Workplace reform measures have been outlined in the agreement. Such measures include employees having to work outside the regular span of hours to allow for daylight saving time and special project requirements, and greater flexibility in the taking of rostered days off so that the enterprise will be in operation on days scheduled as industry-wide RDOs.</li> <li>? Additional reform is to be facilitated during the life of the agreement through the Joint Consultative Committee.</li> </ul>
Electrical contracting industry (AAWI 12.13%)	<ul style="list-style-type: none"> <li>? Agreement provides for a base rate increase of 24.25%. This includes a 21.75% wage increase upon certification, and an additional increase of 2.5% to be paid on the first anniversary of the agreement.</li> <li>? The substantial wage increase was granted in return for the workplace moving off an enterprise award and onto an enterprise bargaining agreement.</li> <li>? Wages incorporate any payment for annual leave and 17.5% loading, sick leave, public holiday penalties, RDOs and overtime payments.</li> <li>? Casual employees are given a loading of only 12%.</li> <li>? Shift rates in the agreement have increased from 15% to 30%.</li> </ul>
Metal manufacturing industry (AAWI 7.04%)	<ul style="list-style-type: none"> <li>? An average increase of 21.7% is paid over the 37-month life of the agreement. This includes an increase of 8.6% upon certification, and further increases of 6.8% on the first anniversary and 6.3% increase on the second anniversary of the agreement.</li> <li>? In return for the wage increases, the agreement absorbs any penalty rates for the first 70 hours of overtime worked each year. The definition of overtime specified in the agreement incorporates work on Saturdays, on days when RDOs are scheduled and when employees work beyond the normal shift hours. Overtime does not incorporate time worked on Sundays and public holidays, whereby penalty rates are still paid.</li> <li>? Employees are to work a four-day, 38-hour week, thereby receiving a weekly RDO.</li> <li>? A mobile phone allowance is paid in addition to an employee's salary.</li> </ul>

**Table 1.1: key features of higher than average wage increases in March quarter enterprise agreements con'd**

<p>Local government sector (AAWI 6.0%)</p>	<ul style="list-style-type: none"> <li>? An increase of up to 12% is paid over four periods. This includes guaranteed increases of 5% during the first year of the agreement, and 2% in the following year.</li> <li>? At-risk increases totaling a maximum of 5% are available over the life of the agreement. The first increase of 2% can be obtained on the first anniversary of the agreement in exchange for the majority of work teams attaining a 95% compliance rate of the company's Service Commitment guarantees, and by also achieving of one of the improvement projects outlined in the agreement. The improvement projects are related to areas including strengthening service culture, delivering measurable productivity gains, Best Value reviews and implementing the agreed actions of a service review.</li> <li>? A second at-risk increase of up to 3% can be gained 18 months after certification if the majority of work teams complete a further improvement project, as outlined above.</li> <li>? Employees also have the option of sacrificing a portion of their as salary for items such as superannuation, child care fees or a motor vehicle.</li> <li>? Agreement contains flexibility options for employees through purchased leave schemes, job share provisions and home-based work arrangements.</li> </ul>
<p>Cement manufacturing industry (AAWI 5.22%)</p>	<ul style="list-style-type: none"> <li>? A maximum wage increase of 10% is available over the 23-month duration of the agreement, including two guaranteed increases, each of 4%. The first of these is granted upon commencement, and the second is available one year later.</li> <li>? Two further increases totaling 2% are available if the employees reach certain KPI target. The first increase of 1% is to be granted if there are no at-fault motor vehicle accidents, no lost time injuries due to breaches of procedure, and if a maintenance plan is implemented and fulfilled. The second 1% increase is available if the company's tyre costs remain within its allocated budget.</li> </ul>
<p>Electrical contracting industry (AAWI 5.0%)</p>	<ul style="list-style-type: none"> <li>? A total base-rate increase of 15% is paid over 36 months and in 6 installments.</li> <li>? Wage rates absorb allowances for disabilities, tools, qualifications, locality, travel payments, meals and first aid officer that are prescribed in the agreement</li> <li>? The wage increase is also paid in lieu of any penalties for the first seven hours of overtime worked in any week. Any overtime worked in addition to this time is to be paid at double time.</li> <li>? Employees are to work a nine-day, 90-hour fortnight, with the agreement expressly stating that there is to be no reduction in the work cycle for any reason.</li> </ul>

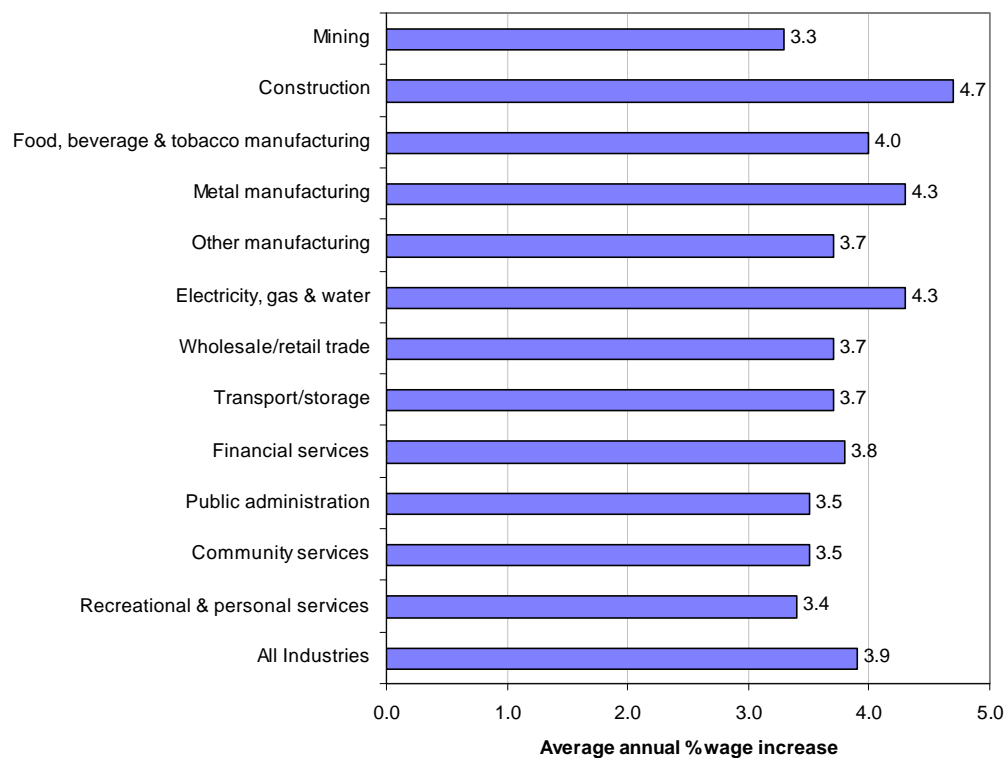
Source: ADAM Database, 2002, ACIRRT, March Quarter, University of Sydney.  
 Note: High wage agreements are defined as those delivering an AAWI of 5% or above.

## wage outcomes in current collective agreements

The average annual percentage wage increase for all currently operating agreements at the end of the March quarter was 4.0%, slightly up on the previous quarter of 3.9%.

Figure 1.3 shows that for the second consecutive quarter the construction industry, appears to be leading wage outcomes, delivering an average annual wage increase of 4.7%, again the mining industry provided the lowest AAWI of 3.3%.

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



Source: ADAM Database, 2002, ACIRRT, University of Sydney, (n=2886).

Note: \* Current agreements include all enterprise agreements which have not reached their stated nominal expiry date as at end March, 2002.



## special issue – enterprise agreements and working from home

The introduction of family-friendly provisions, flexible working arrangements and the growth and development of communication technology makes working from home an attractive alternative. This special issue of the *ADAM Report* takes a closer look at working from home provisions in agreements.

### *benefits of working from home*

A recent Australian Bureau of Statistics (ABS) publication *Australian Social Trends* contains information on Working from home arrangements in Australia. The ABS report states that “Working from home offers a variety of benefits” to both employees and employers. Employees who are able to work from home may find they have “greater flexibility in working hours, a reduction in traveling time and costs, and better access to recreational, social and educational facilities in their local communities. Employers may benefit through increased employee motivation, retention of skilled personnel, reduced absenteeism and increased performance and productivity”. It should also be noted that working from home provisions may also increase opportunities for people who have restricted access to workplaces due to disability or caring responsibilities<sup>1</sup>. The ABS report also indicates that there may be a down side to working from home such as “reduced opportunities for career advancement and feeling isolated from workplace communications channels”. In addition, working from home may increase the amount of time people spend working and blurs the distinctions between work and leisure. This was borne out by the statistics that indicated that the majority of home workers worked more than forty hours per week. Working from home may also limit on the job training opportunities for some employees. For employers the ABS report indicates there are issues about accessing employees and difficulty in achieving a better team approach. In addition there are occupational health and safety issues, provision and access to technology that need to be considered and dealt with by employers.


### *who is working from home and why*

The ABS figures show that in June 2000 there were almost 1 million home workers in Australia, while almost half (48%) of these home workers operate a business from home. It was also estimated that one in five employed persons worked some hours from home.

In general people who work from home tend to be older than other employed persons, three quarters (75%) of home workers were aged 35 years and over. Women

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<sup>1</sup> Standen, P. 1997 ‘Home, work and management in the Information Age’, *Journal of the Australian and New Zealand Academy of Management*, vol.3, no.1, pp. 1-14.



accounted for almost half (49%) of all workers working from home. Of all those working from home only (11%) gave flexible working arrangements as a reason for working at home, and only (4%) gave child care or family considerations. Other reasons included; catching up on work (15%) and employment conditions (10%).

The industries that had the highest proportion of home workers were Agriculture (50.4%), Personal and other services (15.3%), Property and Business Services (14.4%) and Education (14.4%)<sup>2</sup>. The occupations that had a relatively high proportion of home workers included Managers and Administrators (39.4%), Advanced Clerical and Service Workers (28%) and Professionals (15.2%), in part reflecting the industry distribution of home workers.

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<sup>2</sup> 'Paid Work: Working from Home', Australian Bureau of Statistics (ABS), *Australian Social Trends 2002*.





### *Home work provisions in agreements*

Statistics from the ADAM Database show that provisions in enterprise agreements and AWA's allowing employees to work from home are relatively rare. Working from home provisions are present in only 2.2% of currently operating collective agreements and less than 1% (0.9%) in currently operating AWAs (see Table 1.2 below)\* which suggests that agreement making is not the principal means of regulating working from home arrangements. Many employers dealing with working from home in HR manuals and policies or informally.

Among the current collective agreements, union agreements were more likely to provide working from home provisions than non-union agreements (2.2 and 0.8% respectively). The public sector is more likely to have working from home arrangements in their agreements than the private sector, indicating, perhaps, a greater propensity for public sector employers and unions to codify such arrangements than private sector employers.

Table 1.2 shows that working from home provisions were much more prevalent in public sector agreements (10.2%) than private sector agreements (0.6%). More specifically, working from home provisions were most commonly found in the industry group public administration and communications industries (20.1% and 16.7% respectively).

**Table 1.2 Incidence of working from home provisions in currently operating enterprise agreements, by union party to agreement, sector and industry**

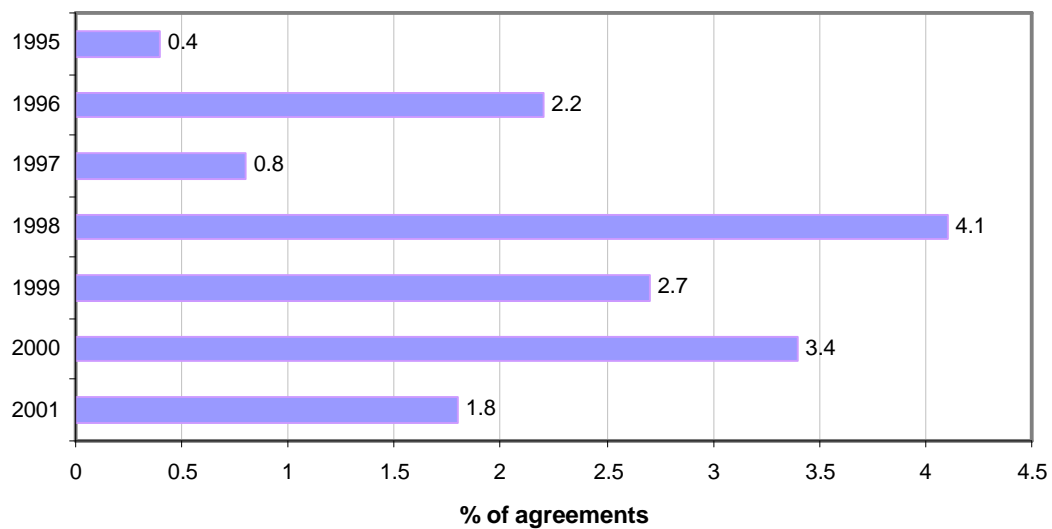
	% of agreements
All current agreements	2.2
Union agreements	2.7
Non-Union agreements	0.8
Public Sector	10.2
Private Sector	0.6
Food Beverage & Tobacco Manufacturing	0.1
Metal Manufacturing	-
Other Manufacturing	-
Electricity Gas and Water	10.0
Wholesale/Retail Trade	-
Transport/Storage	1.2
Communications	16.7
Financial Services	6.3
Public Administration	20.1
Community Services	1.6
Recreation and Personal Services	-

Source: ADAM Database, 2002, ACIRRT, University of Sydney, (n=2229).

\*Current agreements include all enterprise agreements which have not reached their stated nominal expiry date as at end March, 2002.

Interestingly, the incidence of working from home provisions in enterprise agreements peaked in 1998 (see Figure 1.4) being present in 4.1% of agreements and has continued to decline since with only 1.8% of 2001 agreements having such provisions.

**Figure 1.4 Incidence of working from home provisions in enterprise agreements**



Source: ADAM Database, 2002, ACIRRT, University of Sydney, (n=8526).



*sample clauses of working from home provisions*

*FINANCIAL SERVICES*

4.5 Working from Home

Working from home is a valuable work practice that is supported by (the Company).

A working from home arrangement may be introduced if:

- \* the manager and the employee agree
- \* the needs of the customer, employee and the business can be met
- \* the proposed work site meets occupational health and safety standards

Subject to agreed criteria, (the Company) will have discretion in determining which positions and/or aspects of work are suitable for working from home.

Working from home arrangements will be confirmed in a written agreement between the employee and the manager. The written agreement should state:

- \* the designated off-site location for the employee
- \* the nature of the work to be performed
- \* confidentiality requirements
- \* security requirements
- \* the pattern of work hours in both the off-site location and the company workplace
- \* details of equipment, insurance and other costs, and who will meet them
- \* how the (the Company's) Performance Management System will be implemented, including performance measurement and development opportunities
- \* arrangements for situations where the employee is unable to work at home due to short-term disruptions

Where access to the off-site location is required:

The amount of notice provided to the employee will be no less than 24 hours. Notice can be less if there is mutual agreement between the employee and the person seeking access to the location. In the event of an emergency one hour's notice would be required.

(The Company) will provide adequate training on the specific issues which relate to working from home for employees who have entered into such arrangements.

Variations to working from home arrangements must be by mutual agreement and must be documented.

Termination of a working from home arrangement can be sought by either the employee or the manager. Either party should give at least two weeks notice. More notice of up to a month may be required in some circumstances, such as for relocation of technology or new child care arrangements. If practicable, the employee would be re-assigned to the conventional workplace and to the same or equivalent role.

In the event that a role performed under a working from home arrangement is made redundant, normal redundancy provisions apply.

Employees should be aware that working from home is not a substitute for child care.  
Recognition of Work and Family Issues

#### *EDUCATION SECTOR*

##### “11.16 'HOME BASED WORK' ARRANGEMENTS

11.16.01 Applications for home based work arrangements are to be considered on a case by case basis and must be in the University's best interests. Every application for a home based work arrangement requires the approval of the Deputy Vice-Chancellor or Pro-Vice-Chancellor.

11.16.02 A home based working arrangement will only be entered into on a voluntary basis which may be initiated by the staff member in respect of:

that staff member's substantive position; or  
a position in which the staff member is temporarily performing duties.

11.16.03 Unless otherwise agreed, home based work will be on the basis that the staff member spends at least two fifths of her/his usual weekly hours of duty at the University based site at times agreed between the supervisor and staff member.

11.16.04 The University will be responsible for the provision and maintenance of University equipment and the provision of supplies (including a standard first aid kit) and any other Occupational Health and Safety requirements provided that the University and the staff member may agree on any alternative arrangements if appropriate. Such alternative arrangements, must also be recorded.

11.16.05 A staff member in a home based work arrangement is prohibited from contracting out University work.

11.16.06 The University will ensure home based staff have the same opportunities for professional development and training as University based staff. In, particular:

a home based staff member will carry out such duties as are within the limits of the employee's skill, competence and training and are consistent with the classification descriptions and job description;

a staff member working at the home based site will be expected to undertake appropriate work-related training, occupational health and safety training and professional development.

11.16.07 Such training should occur in work time, at either the University based site or in a recognised training centre.

11.16.08 The University will provide the Union with a quarterly report of approvals of home based work arrangements.

11.16.09 A home based work arrangement will generally not be appropriate when a staff member is on a return to work program, particularly a graduated return to work program following an injury as a result of work. Should it be considered appropriate to initiate a home based work arrangement in these circumstance the University and staff member must consult the approved rehabilitation provider prior to commencing such an, arrangement.

11.16.10 A home based work arrangement is not a substitute for dependent care.

11.16.11 It is the staff member's responsibility to assess the personal implications of commencing home based work with respect to taxation, insurance (including public liability insurance covering third parties at the home based site), leasing or mortgage arrangements.

11.16.12 Before approval can be given for a home based work arrangement to commence, the University and the staff member must agree to and record the following matters:

the address and telephone number, and any facsimile number and e-mail address of the home based site;


the staff member's position, indicating whether it is the staff member's substantive position, and the duties to be performed;

the days and hours of duty at the University based site and at the home based site;

the duration of the arrangement and agreed period of notice for purposes of terminating the arrangement;

the area of the home based site to be deemed the workplace (all other areas of the dwelling are not classified as the workplace);

the specific facilities to be used at the home based site and facilities to allow remote access to computer systems;



the method of disseminating University communication bulletins to the home based staff member where access to that information may otherwise be reduced;  
methods of measuring work performance, provided that systems-based automated work measurements will not be used;  
details of University assets and supplies to be used at the home based site, including maintenance arrangements;  
details of the staff member's assets and supplies to be used at the home based site for official use, including maintenance and insurance coverage;  
details of work space and facilities to be provided when the staff member attends the University based site;  
requirements for the staff member to comply with Occupational Health and Safety and to report any work related injury, illness or disease arising out of home based work which occurs at the home based site;  
any alterations to the workplace and facilities that may be required resulting from Occupation Health and Safety legislation, as determined by an inspection by the Occupational Health and Safety Officer together with an employee representative on the Occupational Health and Safety Committee or a Union representative.

11.16.13 The record of home based work arrangements as agreed or re-negotiated must be approved as required in 11.16.01, signed by the Head and the staff member, and placed on the staff member's personal file. Copies must be given to the staff member and the supervisor.

11.16.14 Provisions in this Agreement will apply to the home based staff member, provided that the University based site will be deemed to be her/his headquarters.

11.16.15 The home based work site may be used for overtime provided that separate written agreement is reached prior to the commencement of overtime on each occasion.

#### Where Home Based Work Is Not Appropriate

11.16.16 Staff will not be considered for home based work where the position involves work which:

requires a high degree of supervision or close scrutiny; or

is unable to be designed in accordance with the work design principles e.g. the work able to be done away from the University based site would involve continuous and repetitive keyboard work; or

requires a direct face to face contact with clients on a frequent basis without the option of easily rescheduling; or

does not lend itself to objective performance monitoring of outcomes; or

requires the occupant to be a member of a team where regular direct face to face contact on a daily basis with other team members at the University based site is an integral part of the job's responsibilities (a requirement to supervise other staff will not necessarily preclude an arrangement); or  
requires the staff member to service University facilities and/or assets; or  
has other characteristics which the Union and the University have agreed are unsuitable for home based work.

#### Access to the Home Based Site

11.16.17 The University will from time to time need to obtain access to a home based site and the Union may also wish to visit a member while she or he is working from a home based site. Only the University will require urgent access which will only be granted under the following terms:

the consent of the home based staff member is required before access can be obtained to a home based work site;

unless urgent access is required to a home based work site, or the home based work staff member agrees otherwise, on a case by case basis, the staff member must be given at least two clear days notice of any authorised person's intention to physically enter the home based work site;

the University may require urgent access to a home based work site for the following:

maintenance of faulty equipment;  
occupational health and safety purposes;  
urgent security and audit purposes; and  
other purposes agreed between the University and the Union;  
the University may seek non-urgent access to a home based work site for the following:

routine maintenance of equipment and supplies;  
assessing and monitoring security arrangements of equipment and documents;  
routine occupational health and safety assessments;  
access by the Union to a member where University based site access would not be adequate; and  
supervisions where University based supervision would not be adequate..

#### Termination And Re-Negotiation of Arrangements

11.16.18 In the event of renegotiation as a result of the commencement of a return to work program the approved rehabilitation provider must be consulted.

11.16.19 A home based working agreement may be:



altered or discontinued by agreement at the request of the University or the staff member, provided that neither party will unreasonably withhold agreement to alter or discontinue the arrangement; or

terminated by the University after four weeks notice due to:  
changed operational requirements; or  
the staff member having unreasonably withheld consent for access by the University;  
or  
inefficiency of the arrangements;  
or terminated by the University with minimum notice in the event of a repeated failure to comply with Occupational Health and Safety or security arrangements.

11.16.20 Where an arrangement is terminated the staff member will be provided with written reasons at the time the notice is given”.

#### *PUBLIC SECTOR*

### “7. WORK & FAMILY COMMITMENTS

#### 7.1 Working Arrangements/Attendance and Working Patterns

7.1.1 AVO recognises that staff have to balance their working life commitments with other competing interests, such as family, community work, and lifestyle choices, and that this balance is likely to be best achieved through providing staff with the greatest possible flexibility in their attendance patterns. However, this flexibility has to be balanced against the needs of paying customers, including the need to have offices staffed during normal business hours to meet operational requirements.

7.1.2 Measures such as more flexible working arrangements (eg. regular part-time work, sharing office furniture and facilities, banked hours and working from home) and streamlined and more flexible leave arrangements (eg. streamlined Carer's Leave) not only provide employees with greater choice regarding working arrangements and patterns, but also enhance the scope already available to employees to balance their work and personal lives.

7.1.3 To ensure that the potential benefits of this Agreement are maximised, the AVO will implement information and educative activities highlighting the choice and flexibility provided by this Agreement in areas such as balancing work and personal lives. These activities are to be targeted at managers, supervisors and employees.”

# innovative provisions

## Rewards and recognition

Recognising and rewarding individual performance at the workplace has been an ingredient of many enterprise agreements. However, a selection of recent agreements shows that there have been some important innovations in this area. Often, the recognition of an individual's contribution to the workplace is dependent on management discretion. However, the agreements included in this report show that the selection process is now being undertaken by an employee's peers or via the consultative committee at the workplace. The type of development is indicative of a genuine attempt at creating a more cooperative approach between management and employees so that important contributions that effect the nature of work are recognised.

The following agreements also show that the nature of the rewards provided has also changed. Most rewards are either relatively small in value or difficult to ascertain due to their discretionary nature. However, these agreements show that the rewards being offered are quite substantial in value and tend to reflect a more genuine attempt at rewarding the employee for the impact their contribution has had on the workplace

The first agreement comes from a Federal government body that explains how individual recognition will be determined by peer recognition. This provision also indicates monetary amount allocated to rewarding and recognising individual employees.

The second agreement comes from the Food manufacturing industry. This provision outlines how the consultative committee will be used to determine which employees will receive some type of recognition for their contribution to the workplace. After a decision has been met, this proposal will then be submitted to management for review. The budget for this system is also outlined in this provision.

### *FEDERAL GOVERNMENT SECTOR*

“Rewards and Recognition

3.14 The Agency will, in addition, support a peer contribution scheme throughout this Agreement. This scheme will be managed by the WRC and allow staff to recognise and reward exceptional contributions by their colleagues. The Agency will make a total of \$4000 per annum available for this scheme.”

### *FOOD MANUFACTURING INDUSTRY*

“15 Wage Increases

15.7 The Consultative Committee shall be supplied with a budget of \$10,000 which they may use to reward innovations that are implemented in the business by

employees paid under this agreement. The Consultative Committee shall prepare and present a business plan to Senior Management, prior to any expenditure, on the proposed approach to giving out such reward”.

## Performance bonus systems

Overall, there was little innovation in this area over the last period of analysis. However one agreement from the services to business sector provided a highly innovative performance bonus system that provided an individual bonus for employees who exceeded a certain level of output. The eligibility of an employee to receive this bonus was assessed every 3 months. However this system of recognising individual performance also operated as an instrument that would determine the ‘at risk’ component of an employee’s wage. At the completion of every 12 months the average increase that all employees had received over the three month cycles would be given to the employees as an adjustment to their base rate of pay. In effect, this allowed individual performance to be recognised throughout the year, whilst also rewarding all employee’s for the overall increase in productivity experienced by the organisation over a 12 month period.

### *SERVICES TO BUSINESS SECTOR*

#### “A3. PERFORMANCE BONUS

A3.1 For each one (1) kilogram of operator output per hour, in excess of twenty seven (27) but not exceeding thirty five (35) kilograms, calculated over a thirteen (13) week cycle, an amount equivalent to 1.5% of the ordinary time earnings of that employee over that thirteen (13) week period will be paid to the employees no later than two (2) weeks following the completion of that cycle.

A3.2 This is calculated according to (The Company’s) national benchmarking calculations as per Attachment A.

A3.3 Following the completion of four consecutive cycles, the all purpose rates of pay contained within the Agreement at that time, will be increased by the average percentage increase across the four cycles. From then on, performance bonuses will be paid on the difference between the benchmark achieved for the average percentage increase and thirty five (35) kilograms per operator hour.

A3.4 All bonuses and increases are payable in addition to the rates prescribed within this Agreement.

A3.5 If, within the first seven (7) months of the life of this Agreement, it becomes clear that productivity bonuses cannot be achieved, (The Company) together with the Consultative Committee is committed to considering a review of the productivity bonus scheme.”



## Innovative leave provisions

Innovative leave provisions were found in agreements from a variety of sectors. The provisions included in this report indicate a genuine recognition of the unusual leave requirements of employees due to factors such as the composition of the workforce and the nature of their job. The first agreement is derived from the Local government sector. This agreement indicates that if an employee has suffered some type of injury that is 'directly attributable' due to an armed conflict they were involved in whilst fulfilling their job, then the employee would receive 15 additional paid days of leave. The second agreement is from the Food manufacturing industry that attempts to provide employees with a unique solution required due to the composition of that particular workforce. The provision states that employees with at least 5 years of service and who can prove the necessity of returning to their country of origin will be provided with 3 months unpaid leave

A further innovation can be seen in the area of sick leave entitlements. One organisation has implemented a more collective approach to accessing 'pooled' sick leave. This is to accommodate situations where employees have suffered some level of undue hardship and they have already accessed all of their other leave entitlements. In all of these agreements there did not seem to any trade-off for employees to receive these additional benefits. The merit of an employee's request to access this collective pool of additional leave will be assessed by a committee that consists of both management and employee representatives.

### *LOCAL GOVERNMENT SECTOR*

#### "CI 37. SPECIAL SICK LEAVE

Where the employer is satisfied that the illness of an employee with at least six months' service is directly attributable to or is aggravated by his/her service in an armed conflict, such employee may, apart from any sick leave which may be standing to his/her credit, be credited with special leave with full pay amounting to fifteen days in respect of each year of service.

Such special leave shall be cumulative, provided that the total of such accumulated leave standing to the credit of an employee shall at any time exceed 100 days."

### *FOOD MANUFACTURING SECTOR*

#### "6.7 SPECIAL LEAVE

6.7.1 An employee who has completed at least five (5) years continuous employment with his or her employer and who proves to the employer's satisfaction the necessity

to return to his country of origin may be granted a maximum of three (3) months unpaid leave of absence.

6.7.2 An employee who is granted leave in accordance with this clause shall not qualify for, or accumulate, any entitlement under this agreement for the duration of such leave of absence.

6.7.3 An employee who fails to resume work at the expiration of his or her agreed period of leave of absence shall be deemed to have abandoned his or her employment and his or her employment shall terminate forthwith.”

### *SERVICES TO BUSINESS SECTOR*

#### “ Extended Sick Leave Benefit

13.5.1 The Company will offer an extended sick leave arrangement to assist permanent and regular casual employees who are unable to work because of severe sickness or injury and are suffering substantial financial hardship.

13.5.2 This will be in the form of a sick leave pool of 800 hours. If the sick leave pool is reduced during the year it will be topped up at the commencement of each year during the life of the Agreement. A committee consisting of both management and employee representatives will be formed to manage this scheme.

13.5.3 This pool will only be maintained if the average absenteeism rate for non-salaried employees for the Region continues below 2%. Where this is not the case, the pool will only be topped up when the absenteeism rate subsequently falls below 2% for 3 consecutive months.

13.5.4 Employees will be eligible for payment out of this pool of hours if they:

- (a) Have more than twelve (12) months continuous service with the Company;
- (b) Have satisfied the Committee that they are unable to return to work due to severe illness or incapacity;
- (c) Do not have a personal history of unauthorised absenteeism;
- (d) Have exhausted their normal sick or personal leave entitlement and accrual;
- (e) Are not receiving Workers' Compensation or any other form of accident, illness or injury benefits from an external agency or fund;
- (f) Are not receiving income benefits from the Superannuation Scheme; and
- (g) Are suffering genuine hardship to the satisfaction of the Committee and that this hardship is likely to continue.”

## **Family friendly provisions**

Again, this quarter has provided some agreements that attempt to implement innovative work practices that target the needs to employees to balance their work and family commitments. The agreements included in this report provide an example of enterprises that have implemented practices that will assist both the employee and employer. These innovations can be seen in measures designed for the workplace and other alternative work arrangements such as working from home. The first agreement comes from the Local government sector. This particular organisation has implemented a provision that not only allows women to breastfeed at work, but the provision also outlines the amenities that will be provided at the workplace. This will ensure that the employee will be provided with a convenient option whilst also maintaining a workplace that accommodates all employees.

The second agreement provides details on how an organisation from the Public utilities sector is attempting to provide the means for an employee to balance their work and family commitments. In this provision, employees may be allowed to work from home during school holidays, take unpaid leave during the school holidays, or even average their pay in order from them to meet their family commitments. Even though this provision indicates that this is only on a trial basis at this workplace, it is still indicative of a genuine attempt by the employer and employee to reconcile the commitments and obligations that each party has

#### *LOCAL GOVERNMENT SECTOR*

##### *“18. Nursing Mothers*

(The Council’s) workplaces shall be sufficiently flexible to permit working mothers to choose breastfeeding as a convenient option. The (Council) has taken into account the following:

- ✍ The promotion of a positive attitude towards breastfeeding in the workplace;*
- ✍ Flexible working hours;*
- ✍ Flexibility of times of usual breaks and/or lactation breaks as required for expressing or breastfeeding;*
- ✍ A clean, private lockable area which is safe from hazardous waste and chemicals, with comfortable seating and power points;*
- ✍ Facilities for washing hands and equipment and for storage of equipment;*
- ✍ Refrigerator for storage of breast milk;*
- ✍ Information regarding parental leave and policies relating to breastfeeding in the workplace; and*
- ✍ Displaying and distributing, where appropriate, information to Employees who are pregnant or considering pregnancy.”*

  
*PUBLIC UTILITIES SECTOR***“29.5 Managing School Holidays Care Needs**

(The Company) has initiated a trial to assist employees who are parents of school aged children to address the caretaker difficulties arising when school holidays occur throughout the year.

Specific options included in the trial are:

- ✍ Working from home during school holidays
- ✍ Unpaid leave during school holidays
- ✍ Banking of “days off”/TOIL
- ✍ Pay averaging”

**Other innovations**

One significant innovation comes from an agreement regulating the condition of employees in the Services to Business sector. The provision relating to redundancy payments states that it will also apply to long term casuals. This is significant as it indicates that there is recognition of the contribution that a long-term casual employee may make to the business. In line with recent test cases that have been brought before the Federal Industrial Commission regarding the rights of casual employee’s, this type of provision is making a genuine attempt to recognise the legitimacy of the rights that long-term casual employee’s should receive during their employment. This provision goes further than the recent test cases, as it focuses on recognising casual’s entitlement, rather than just confirming their status.

*SERVICES TO BUSINESS SECTOR***“4.8 REDUNDANCY**

The purpose of this Clause is to prescribe the terms, conditions and payments to be applied when the employer's staffing level exceeds its actual requirement. Such requirements are to be based on technological change, market demands and or changes in the organisation structure, systems or methods of the employer's cooperation inclusive of company takeovers and/or mergers or sales.

This clause shall apply to full-time, part-time and long term casual employees. The parties agree that retrenchment will be avoided where possible. Accordingly the employer agrees to provide alternative employment where practicable. Alternatively an employee may accept a transfer to other employment which is mutually acceptable to the parties.

Where a redundancy situation exists, the employer will make every endeavor to reduce employee numbers firstly by normal labour turnover and by curtailing recruitment. Once this process has been exhausted, the retrenchment process may begin.

The employer will advise the union at all times when a decision has been made to make employees redundant. Notice to affected employees of this advice should not be less than four weeks. During this notice period, the affected employees will be granted time off to attend interview.

A written reference will be provided to all employees.  
Retrenched employees shall receive severance pay as follows-

<b>Period of Continuous Service</b>	<b>Severance Pay</b>
1 year or less	Nil
1 year and up to the completion of 2 years	4 weeks' pay
2 years and up to the completion of 3 years	6 weeks' pay
3 years and up to the completion of 4 years	7 weeks' pay
4 years and over	8 weeks' pay

The employer agrees to assist all retrenched employees with outplacement services (to the value of \$500.00), financial advice (QCU accredited) and dealings with Centrelink etc. All other matters such as notice periods shall be in accordance with the provisions of the Statement of Termination of Employment, Introduction of Changes, Redundancy.”



## 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: a) 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 March 2002, the ADAM Database has information on 9,773 registered enterprise (collective) agreements from the Federal and State jurisdictions as follows:

Federal (4,634), New South Wales (1,741), Queensland (1,749), South Australia (636) and Western Australia (997).

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).

  
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 9,500 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

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