wage trends

wage increases in December 2001 quarter certified agreements

The average annual wage increase for certified enterprise agreements registered in the December 2001 quarter was 4.5% (per agreement), up by 0.5 percentage points from 4% in the September 2001 quarter. This is the third consecutive quarter where wage outcomes have averaged around 4 percent.

Figure 1.1 below shows that there has been little or no change from the previous quarter between union and non-union agreements and public sector and private sector agreements. Union agreements, in general, continue to deliver more generous wage outcomes than their non-union counterparts.

Figure 1.1: December 2001 quarter average annual percentage wage increase, by sector and union party to agreement

Source: ADAM Database, 2002. ACIRRT, University of Sydney.
This quarter’s review of high average annual wage increase agreements has shown a variety of factors accounting for such high increases. Two key factors stood out to be the most common: performance improvements via the achievement of KPI targets and the absorption of certain penalties or allowances. One public utilities agreement stated that all award related payments and conditions were absorbed. Another public utilities agreement introduced a new classification and pay structure in order to move away from a public service-style pay structure to a more corporate-oriented structure.

Table 1.1 highlights these key features in more detail.

**Table 1.1: key features of higher than average wage increases in December quarter enterprise agreements**

<table>
<thead>
<tr>
<th>Industry (AAWI)</th>
<th>Key Provisions</th>
</tr>
</thead>
</table>
| Construction industry (AAWI 9.25%) | • A total wage increase of 18.5% is paid over three periods. This is made up of an initial increase of 12.5%, and two 3% increases over the remainder of the agreement.  
  • Two hours of overtime per week is paid at the normal rate, and one overtime crib break and one overtime meal allowance are absorbed into the wage rate.  
  • A meal allowance is paid when employees work periods of overtime in lieu of a paid crib break.  
  • Detailed provisions aimed at improving efficiency and productivity by eliminating absenteeism and restrictive work practices through the company’s consultative committee. |
| Utilities industry (AAWI 8.0%) | • Wage increases of 6% are paid over three periods. Increases are composed of two guaranteed increases: a 3% increase upon certification, and a further 2% increase. In addition, a 1% increase can be gained in return for KPI targets being met. KPI targets include material budget savings, OHS and environmental performance.  
  • A new classification and pay structure was introduced in order to move away from a public service-style pay structure to a more corporate-oriented one is also established. |
| Secondary education sector (AAWI 6.86%) | • Total wage increase of 12% paid over 21 months and in 4 instalments.  
  • 2 wage increases of 2%, one paid at the commencement of the agreement and the second 4 months after commencement, and 2 further increases of 4% each thereafter.  
  • Wage increases are inclusive of all supervisory and industry allowance provided for in the relevant awards.  
  • A salary packaging arrangement may be agreed to between an employee and employer. |
| Utilities industry (AAWI 5.23%) | • A wage increase of up to 13.5% can be gained, with 7.5% of this being guaranteed in three instalments over the life of the agreement.  
  • Employees can also gain further increases totalling 6% by meeting KPI targets. This is composed of two increases of 1.5% and an additional increase of 3%. KPIs include sales targets, gross profit margin, quality assurance and safety.  
  • In return for the wage increases, the agreement absorbs all Award work and conditions related allowances, overtime payments, weekend and public holiday penalties and leave loadings.  
  • Employees are to work a 40-hour week and are paid a minimum of one hour if recalled to work. |
### Table 1.1: Key features of higher than average wage increases in December quarter enterprise agreements (cont’d)

| Trade services industry (AAWI 5.0%) | • Agreement provides for a guaranteed 15% wage increase, made up of 6 increases of 2.5% each paid in half yearly intervals.  
| | • Wage rates absorb annual leave loading and all allowances and special rates set out in the relevant award.  
| | • In lieu of an RDO and to compensate for working a 40-hour week, employees receive an additional payment of 3 hours equivalent to their ordinary rate of pay. |
| Wine making industry (AAWI 5.0%) | • An increase of up to 10% is paid over two periods. This includes guaranteed increases of 5% upon certification, and a further 2% increase on the first anniversary of the agreement.  
| | • Further increases of 2% and 1% in bonus payments are available over the life of the agreement if productivity targets are met.  
| | • Bonus payments are available to permanent employees who have been employed for more than three months, and casual employees who have worked more than 494 hours in the Bonus Period.  
| | • Employees are entitled to penalty rates, allowances and loadings. |

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

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

### Factors Determining Wage Increases in Agreements

A range of factors are used by organisations when determining the quantum wage increases in an enterprise agreement. Typically, management bases its decisions on factors that measure past outcomes (such as economic growth, productivity outcomes, and inflation) and future projections. Such factors are generally not outlined in any detail in the enterprise agreement. Increasingly, however, agreements are leaving part of the quantum increase open ended by including a provision within the agreements stating that the quantum increase will be based on one (or more) factors that have yet to occur. Such factors include (but are not limited to):

- future inflation outcomes
- future productivity gains
- individual staff performance appraisals
- flow on of wage increases granted to award workers through safety net adjustments.

The quantum wage increase is consequently left open until these events have occurred.

The ADAM Database captures three factors that are used to determine future quantum wage increases during the life of an agreement: CPI movements, award/safety net increases, and performance linked factors. An examination of currently operating agreements on the ADAM Database found that wage increases based on future inflation (CPI movements) and safety net increases (as per National or State Wage Case Decisions) were more commonly used than performance linked factors. For example, Table 1.2 shows that more than one in every ten agreements relies on either CPI movements (11.1%) and/or safety net increases (12.4%) to determine future wage
increases. Fewer agreements relied on performance driven factors to determine future wage increases during the life of an agreement.

Table 1.2: factors used to determine future wage increases in agreements

<table>
<thead>
<tr>
<th>Factor</th>
<th>% of agreements</th>
<th>% of these agreements which also include other % wage increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPI movements</td>
<td>11.1</td>
<td>91.0</td>
</tr>
<tr>
<td>Safety net increases (NWCs)</td>
<td>12.4</td>
<td>45.6</td>
</tr>
<tr>
<td>Performance linked factors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productivity improvements</td>
<td>3.0</td>
<td>85.1</td>
</tr>
<tr>
<td>KPI targets</td>
<td>6.3</td>
<td>94.9</td>
</tr>
<tr>
<td>Individual performance appraisals</td>
<td>2.7</td>
<td>75.0</td>
</tr>
</tbody>
</table>

Source: ADAM Database, 2002, ACIRRT, University of Sydney, (n=2208).
Note: * Current agreements include all enterprise agreements which have not reached their stated nominal expiry date as at end December, 2001.

One key difference between those agreements relying on CPI and those on safety net increases was that agreements that based future wage increases on CPI movements were more likely than those relying on safety net increases to also provide for other additional wage increases. Less than half of the agreements that relied on safety net increases (45.6%) were coupled by additional wage increases compared with 91% of those that relied on CPI. These statistics suggest that there is a small proportion of workers who are covered by enterprise agreements yet still rely on safety net adjustments as their only form of wage increase.

AWAs were also relying on other factors to determine future wage increases. CPI movements and safety net increases were the two main factors, being present in 9.3% and 8.6% of AWAs respectively. The key difference between AWAs and enterprise agreements was the higher reliance on performance linked factors amongst the AWAs. For example, 14.2% of currently operating AWAs linked the wage increases to individual performance appraisals, compared with only 2.7% of enterprise agreements (see Table 1.2 above).
**wage outcomes in current collective agreements**

The average annual percentage wage increase for all currently operating agreements at the end of the December quarter was 3.9%, slightly down on the previous quarter of 4%.

Figure 1.1 shows that the construction industry appears to lead wage outcomes, delivering an average annual wage increase of 4.7%, while the mining industry provided the lowest AAWI of 3.3%.

**Figure 1.1: wage increases in currently operating agreements, by industry**

Source: ADAM Database, 2002, ACIRRT, University of Sydney, (n=2208).

Note: * Current agreements include all enterprise agreements which have not reached their stated nominal expiry date as at end December, 2001.
special issue – enterprise agreements and paid maternity leave

Measures to assist workers with family responsibilities have become increasingly important in Australia. This special issue of the *ADAM Report* takes a closer look at the paid maternity leave provisions in agreements.

**benefits of paid maternity leave**

The Equal Opportunity for Women in the Workplace Agency (EOWA) has reported considerable evidence that family friendly policies such as paid maternity leave are beneficial to business given their capacity to increase productivity and employee loyalty. Business case arguments show paid maternity leave can reduce attrition rates and encourage women to return to the workforce earlier. While costs may inhibit small and medium businesses from providing paid parental leave, not providing these benefits may in the longer term limit their ability to attract and retain skilled female employees.

**where does Australia fit on the international scene?**

Australia does not have legislation that provides universal paid parental or maternity leave at either the national or State level. Australia is one of very few developed countries in the world to have no general provision of paid maternity leave. Amongst developed economies only two countries do not have some form of statutory paid maternity leave: the USA and Australia.

Recent studies have shown that Australia lags behind Europe and many of our Asian neighbours in the standard of maternity leave rights. Less than one third of Australian working women have access to paid maternity leave, and most receive less than 12 weeks paid leave. This contrasts with 26 weeks paid leave in France, 16 weeks in the Netherlands and Vietnam and 14 weeks in Germany and Algeria. Most developed countries provide for between two and six months maternity leave, paid at 80-100 percent of the women’s previous earnings. New Zealand recently legislated for the introduction of a taxpayer funded Paid Parental Leave Scheme from 1 July 2002. 12 weeks of paid leave is given at 100% of the woman’s previous weekly earnings or $325 gross per week – whichever is the lower. The UK recently increased state funded maternity leave payments for all mothers (working or not), from 60 to 100 pounds per week and also increased the duration from 18 to 26 weeks. In most countries, leave is funded either by employers directly or through social insurance wholly or partly funded by employers and employees.

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Maternity leave came into being for Australian workers in the public service in 1973 when the *Maternity Leave Act 1973* was introduced. It recognised a woman’s right to remain in the workforce after having children. The introduction of maternity leave was a vital leap forward for women workers as it provided greater workplace equality for women. However, this did not apply to all working women. Those who worked in the private sector were not entitled to maternity leave until six years later.

The right of fathers to be primary care givers for their children was recognised through the *Parental Leave Test Case* in 1990 which bought maternity, paternity and adoption leave provisions together for the first time. In 1994, the federal *Industrial Relations Act* was changed to allow all Australian workers access to maternity, paternity and adoption leave. Up until then, parental leave entitlements only applied to those workers covered by awards and enterprise agreements.\(^2\)

The federal *Workplace Relations Act 1996* provides for 52 weeks unpaid maternity leave for all workers and this is the extent of federal legislation in terms of maternity leave. Access to unpaid parental leave for an increasing proportion of the workforce has been important in encouraging women’s retention in the workforce after childbirth. Partly as a result of women returning to work more often and more quickly, the economic costs to women of having children have diminished significantly through the 1990s. However, unpaid parental leave schemes are viewed by critics to do little to reduce the financial disadvantage faced by women who need to take time off work when they have a baby.

Commonwealth public servants are entitled, after twelve months continuous service, to twelve weeks maternity leave on full pay. In some States and Territories a similar entitlement exists for public servants. In some instances, paid parental leave has been extended to the private sector and to fathers as well. By contrast, women in the private sector are dependent either upon the policy of their employer or upon provisions made in their industrial awards or certified agreements. Data from AWIRS 1995 indicates that 59 percent of public sector workplaces and 23 percent of private sector workplaces offered paid maternity leave.

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Statistics from the ADAM Database shows that initiatives such as paid maternity/paternity leave provisions in enterprise agreements are rare. Paid maternity leave provisions are present in only 6.7 percent of currently operating collective agreements and less than 1 percent (0.7%) of currently operating AWAs (see Table 1.3 below).

Among the collective agreements, the actual entitlement for paid maternity leave varied between 2 days and 36 weeks. Among AWAs, actual entitlements were given as either 9 weeks or 12 weeks. Paid paternity leave provisions are even more uncommon, with only 3.3% of currently operating collective agreements only 0.4% of currently operating AWAs with such a provision.

Union agreements are more likely to provide such provisions than non-union agreements (7.9% and 2.6% respectively). Table 1.3 also shows that they were also more prevalent in the public sector (21.2%) than the private sector (3.4%). The leading industries in this area were electricity gas and water (22.6%), community services (19%) and public administration (17.7%). Although the finance industry has been recognised in the past as a family friendly employer when it comes to paid maternity leave, only 7.4% of agreements contained such a provision.

Table 1.3: Incidence of paid maternity leave provisions in currently operating enterprise agreements, by union party to agreement, sector, and industry

<table>
<thead>
<tr>
<th>Industry group</th>
<th>% of agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>All current agreements</td>
<td>6.7</td>
</tr>
<tr>
<td>Union agreements</td>
<td>7.9</td>
</tr>
<tr>
<td>Non-union agreements</td>
<td>2.6</td>
</tr>
<tr>
<td>Public Sector</td>
<td>21.2</td>
</tr>
<tr>
<td>Private Sector</td>
<td>3.4</td>
</tr>
<tr>
<td>Mining/Construction</td>
<td>0.5</td>
</tr>
<tr>
<td>Food, Beverage &amp; Tobacco Manufacturing</td>
<td>2.9</td>
</tr>
<tr>
<td>Metal Manufacturing</td>
<td>4.3</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>0.8</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>22.6</td>
</tr>
<tr>
<td>Wholesale/Retail Trade</td>
<td>2.0</td>
</tr>
<tr>
<td>Transport/Storage</td>
<td>3.6</td>
</tr>
<tr>
<td>Communications</td>
<td>-</td>
</tr>
<tr>
<td>Financial Services</td>
<td>7.4</td>
</tr>
<tr>
<td>Public Administration</td>
<td>17.7</td>
</tr>
<tr>
<td>Community Services</td>
<td>19.0</td>
</tr>
<tr>
<td>Recreational &amp; Personal Services</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Source: ADAM Database, 2002, ACIRRT, University of Sydney, (n=2208).
Note: * Current agreements include all enterprise agreements which have not reached their stated nominal expiry date as at end December, 2001.
The incidence of paid maternity leave in enterprise agreements over the years has stabilised. Figure 1.2 shows that paid maternity leave provisions reached a peak in 1998 being present in 6.6% of agreements. Such provisions have plateaued since, hovering between 6 and 6.5 percent.

**Figure 1.2: Incidence of paid maternity leave provisions in enterprise agreements, 1992-2001**

Source: ADAM Database, 2002, ACIRRT, University of Sydney, (n=9524).
sample clauses of paid maternity leave

Given the variety in the actual paid maternity leave entitlements in enterprise agreements, following is a selection of some recent sample provisions.

BANKING SECTOR

“22. PAID PARENTAL LEAVE
Six weeks paid parental leave is available when you take parental leave as the primary care giver of the child.
22.1. For the purposes of this clause, ‘primary care giver’ means the individual with the sole responsibility for providing care to the child within the family home during normal business hours.
22.2. Other Award provisions on Parental Leave (Clause 23) continue to apply. The maximum period of Parental Leave (paid and unpaid) remains 52 weeks.
22.3. If you take Parental Leave to be the child's primary care giver, your first 6 weeks of Parental Leave will be paid leave. If you are a part-time employee, your payment will be calculated using your average weekly hours over the previous 12 months.
22.4. Where both parents are employees of the Bank, Paid Parental Leave will only be paid to one parent.”

PUBLIC SECTOR

“21 PARENTAL LEAVE
Maternity leave
Twelve weeks of paid maternity leave shall be available for employees who, at the commencement of the maternity leave, have over 12 months continuous paid service or for an employee taking any subsequent period of paid maternity leave have 12 months continuous paid service since completing any previous maternity leave. This paid leave is to be taken at the time of childbirth or miscarriage of pregnancy. The entitlement to paid leave for a miscarriage only applies where the pregnancy has advanced to at least 20 weeks. Paid maternity leave must be taken within the period 6 weeks prior to the birth of a child and 12 weeks after the birth of a child. A further period of unpaid leave may be granted for the purposes of being the primary care giver. The total period of paid and unpaid leave must not exceed 52 weeks. Unpaid maternity leave of up to 52 weeks shall be available for employees who, at the commencement of the maternity leave, have less than 12 months continuous paid service.

Paternity Leave: 1 week paid (51 weeks unpaid)
Adoption Leave: 6 weeks paid leave for the primary care giver and 1 week for the secondary care giver.

Remaining weeks of leave will be unpaid - up to a total of 52 weeks.”
INSURANCE SECTOR

“10.2.5 Maternity Leave
10.2.5.1 A staff member with not less than 12 months continuous service... shall be entitled to:

(1) Leave on full pay for a continuous period of up to thirteen weeks. This leave shall be made up from six weeks paid maternity leave and up to seven weeks to be taken from accumulated personal sick/carer’s leave credits and shall be taken within the period commencing six (6) weeks prior to the expected date of delivery and concluding twelve (12) weeks after the actual date of delivery.
(2) Additional leave without pay that would bring the aggregate leave to a continuous period of 52 weeks.”

HEALTH SERVICES SECTOR

“Paid Parental Leave

(14) Full-time and part-time employees (provided they are the primary care giver) are entitled to up to 6 weeks paid parental leave based on their length of continuous service as follows:

Completion of 12 months continuous service 2 weeks
Completion of 2 years continuous service 3 weeks
Completion of 3 years continuous service 4 weeks
Completion of 4 years continuous service 5 weeks
Completion of 5 years or more continuous service 6 weeks

Paid parental leave is calculated on the base rate of pay based on contractual hours and excludes all penalties and allowances. Paid parental leave can be taken on half pay for double the period.”

EDUCATION SECTOR

“39.1 Maternity leave

Eligible female staff with:

• twelve (12) months prior service are entitled to up to twelve (12) weeks maternity leave paid on full salary
• between nine (9) and eleven (11) months prior service are entitled to paid maternity leave on a pro-rata basis (i.e. after nine (9) months service, nine (9) weeks paid and three (3) weeks unpaid leave; after ten (10) months service, ten (10) weeks paid and two (2) weeks unpaid leave; after eleven (11) months service, eleven (11) weeks paid and one (1) week unpaid leave)
• less than nine (9) months prior service are entitled to up to twelve (12) weeks unpaid maternity leave. ...”
**can enterprise bargaining deliver the goods?**

Some workers have managed to negotiate better maternity leave benefits through enterprise bargaining. In December 1995, AMP became the first Australian company to provide six weeks paid paternity leave, and by the end of 1997, 30 men at AMP had taken advantage of the scheme and more than 40 other companies around the country had followed their example. Although paid maternity leave provisions in enterprise agreements have improved, there are limited instances of paid leave entitlements in agreements in industries such as retail, accommodation, cafes and restaurants where women predominate.

Paid maternity leave is being achieved for only a small proportion of workers under enterprise bargaining. In cases where enterprise bargaining has delivered paid maternity leave, the outcomes have been varied and inconsistent for workers. There still exist large pockets of industries that employ a high concentration of female workers but do not provide paid maternity leave.

Overall, enterprise bargaining may not be the ideal way ahead if Australia is to implement a national standard of paid maternity leave.

**current attempts to address the issue of maternity leave**

Pru Goward, the Federal Sex Discrimination Commissioner has put the issue of paid maternity leave at the forefront of her agenda by seeking the implementation of an equitable and workable paid maternity leave scheme in Australia. The difficulties and complexities associated with introducing paid maternity leave into Australia prompted the Commissioner’s investigation of the options available. Issues of paid maternity leave, affordable and accessible childcare, access to flexible work arrangements and part time work and protection from discrimination faced by many women as a result of their family responsibilities are high on the Commissioner’s agenda. The aim is to develop work practices that are socially responsible and that recognise and accommodate the work/life challenges of all employees, men and women. Goward argues that legislation and public policy are important in achieving this ‘reality’, but alone are insufficient. She pointed out that Australian society also has to want families, to balance and respect the right of women to economic independence and choice, and also has to treasure and pursue these as important goals.

The ACTU is beginning a campaign for employer or government funded paid maternity leave. In May 2001, unions secured unpaid maternity and parental rights leave for more than 2 million casual workers. The ACTU is now seeking 14 weeks paid maternity leave. Key provisions include:

- a minimum of 14 weeks paid maternity leave;
- six weeks compulsory leave after childbirth;
- payment during maternity leave as a right;
- protection from dismissal and discriminations;
- the right to breastfeed at work; and
- health protection.³

Some political parties have taken up the cause of paid maternity leave. The Democrats are proposing a paid maternity leave safety net of 12 weeks, pitched at the federal minimum wage of $413.40 per week. The cost would be shared between general government revenue – creating a basic standard - and employers who can top up that minimum level through local arrangements.⁴ The ALP has also signalled its plan to embrace a paid maternity leave model that is partly or wholly publicly funded.⁵

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Redundancy and Retirement

Redundancy issues in agreements this quarter have revealed a focus on the importance of employee input into the redundancy process. There is a trend towards increased consultation and transparency, and a focus on mutual benefit to the employees and the company. This pattern includes incentives to voluntary redundancy as well as pre-retirement benefits, and was especially evident in the public service.

The first agreement from the food manufacturing industry promotes the transparency of its redundancy processes by allowing employees and the union significant input into the selection system, through the implementation of a Site Retrenchment Committee. Notably, this committee consists solely of union representatives, and has the power to create a retrenchment proposal for management. This process essentially increases employee decision making ability when determining alternatives to redundancy as well as redundancy numbers. It also provides significantly lengthy notice periods to employees of impending redundancy.

The second agreement, from the utilities provision industry, contains a bill of entitlements graduated both by length of service, and by the timeframe within which an employee accepts a voluntary redundancy. The agreement also contains a provision (not reproduced here) stating that there will be no forced redundancies during the life of the agreement. This redundancy schedule is therefore aimed at providing incentives for the employee to take up voluntary redundancy as soon as it is offered, by gradually reducing the actual severance pay entitlements originally offered as time passes.

The third agreement is notable in that, as part of the redundancy benefits, it provides a training voucher or alternate payment. This agreement is from the education sector, and as such any offered training voucher is likely to be for training programs affiliated to the organisation. This is a palpable benefit to the employee in the long run.

The fourth agreement concerns a pre-retirement plan allowing pre-retirement employees to forego long service leave accruals in return for a higher salary. This dispersal of leave benefits over a number of years allows the possibility of higher superannuation accrual levels which is particularly beneficial when the employee is close to retirement.
FOOD MANUFACTURING INDUSTRY

“RESPONSIBILITY FOR DETERMINING WHO IS TO BE RETRENCHED
The Company, the Union and its employee members agree to work together …

However, to overcome any Union or employee suspicion of unfair or biased treatment by Management, the responsibility for determination of who is to be retrenched will, in the first instance rest with the Union and its member employees.

A group of no more than five Union member employees, determined and set up in whatever way the Union and its members see fit, should be constituted as the Site Retrenchment Committee. The Committee may conscript as many Union Officials as it wishes. It may also invite Management representatives if it wishes but it is neither obliged nor encouraged to do so.

The Retrenchment Committee will seek to put a proposal to Management which determines the employees to be retrenched. …If some employees have to change shift and/or areas of work or if work practices have to change or if some employees have to undertake training, on the basis that they will be supernumerary to agreed crewing levels for no more than four weeks in order to achieve the objectives, the Retrenchment Committee will secure the agreement of the affected members as part of the proposal put to Management.

When the date and number of retrenchments are finalised the Retrenchment Committee will have three weeks to develop the proposal to be put to Management. Management will provide the Committee with the time and information it may require to develop its proposal.

If the proposal meets stated objectives, Management will accept and implement it observing the terms for notice of retrenchment. If the Retrenchment Committee is unable to put together a proposal within three weeks which satisfies the stated objectives and has the agreement of the Union members the Retrenchment Committee represents, the responsibility for determining who is to be retrenched will pass to Management.

In an effort to satisfy both objectives and to fit in with the specific desires of as many employees as it can, Management will seek from the Retrenchment Committee information about who is volunteering for retrenchment and who is willing to change shifts or work areas.

Given this information, Management will formulate and submit to the Union and its members within one week a retrenchment plan. This plan will achieve Objective 1 and will go as far as it can, depending upon employees' ability and willingness to accept change and undergo training (on the condition of being a supernumerary for not more than four weeks), to achieve Objective 2. It has to be noted, however, that if
the Retrenchment Committee has not achieved a proposal which satisfies all the members it represents, it is highly unlikely that the Management Plan will satisfy the specific desires of every employees.

The Management Plan will be final and will be implemented observing the terms for notice of retrenchment.

C. RETRENCHMENT - NOTICE OF RETRENCHMENT
(1) The Company will give the Union and its employee members at least three months notice prior to the 13 weeks detailed below of the expectation of retrenchment. At this point in time, only approximate numbers of people to be retrenched and best guess dates for retrenchment can be given.

(2) Once commissioning of machinery or process begins, it will be the objective of Management, the Union and its Members to finalise the crewing levels for the new machinery or processes in no more than four weeks. Where Management and the Unions become deadlocked about crewing levels both parties will accept the decision of the Queensland Industrial Relations Commission about crewing levels.

(3) When crewing levels have been agreed, Management will give the Union and its employee members nine weeks notice of the date and number of employees to be retrenched. This nine weeks’ period will include the following:
   (a) Three weeks for the Retrenchment Committee to formulate a proposal;
   (b) In the event of the Retrenchment Committee not being able to formulate a proposal, one week for Management to develop a Retrenchment Plan;
   (c) At least four weeks for individual employees who are to be retrenched to be given notice of retrenchment;
   (d) Within the nine weeks, four weeks for any new operating plants or processes to be trialled to verify revised crewing levels.

(4) The Company will give individual employees who are to be retrenched at least four weeks notice of retrenchment.

It should be noted that the retrenchment payment includes four weeks pay in lieu of additional notice.”

UTILITIES INDUSTRY

'The calculation of a TVSP is based on staged levels of payment depending on separation date and time spent by the employee pursuant to the redeployment policy. TVSP entitlements detailed below are available to employees only for the periods of time(Stages) specified. Stage 1 entitlement commences immediately from when an employee is advised that they are 'surplus to requirements' and that a TVSP is available to them. All stages of entitlement are continuous and consecutive in operation.
Stage 1

Where an employee accepts an offer of a TVSP within six (6) weeks of SA Water notifying them that they are surplus to requirements and that a TVSP is available to them, and leaves their employment within that six (6) week period, the employee will be paid:

(i) $10,000.00, and
(ii) a minimum further payment of eight (8) weeks' pay plus three (3) weeks' pay for each completed year of service to a maximum payout of 104 weeks' pay.

Stage 2

Where an employee is not entitled to a Stage 1 separation package but accepts a TVSP and leaves their employment within twenty (20) weeks of SA Water initially notifying them that they are excess to requirements and that a TVSP is available to them, the employee will be paid a minimum payment of eight (8) weeks' pay plus three (3) weeks' pay for each completed year of service to a maximum payout of 104 weeks' pay.

Stage 3

Where an employee is not entitled to a Stage 1 or Stage 2 separation package, but accepts a TVSP and leaves their employment within two (52) weeks of SA Water initially notifying them that they are excess to requirements and that a TVSP is available to them, the employee will be paid a minimum payment of eight (8) weeks' pay plus two (2) weeks' pay for each completed year of service to a maximum payout of 104 weeks' pay.

Stage 4

Where an employee is not entitled to a Stage 1, Stage 2 or Stage 3 separation package, but accepts a TYSP and leaves their employment within one hundred and four (104) weeks of SA Water initially notifying them that they are excess to requirements and that a TYSP is available to them, the employee will be paid a minimum payment of eight (8) weeks' pay plus one (1) weeks' pay for each completed year of service.

Stage 5

Where an employee is not entitled to a Stage 1, Stage 2, Stage 3 or Stage 4 separation package, but accepts a package after the expiration of two years after SA Water initially notifies them that they are excess to requirements and that a TVSP is available to them, the employee will be paid the following payments:

(i) Payment in lieu of notice:
- Up to one year's continuous service - one (1) week's pay
- More than one (1) year's continuous service, but not more than three (3) years - two (2) weeks' pay
• More than three (3) years' continuous service, but not more than five (5) years - three (3) weeks' pay
• More than five (5) years' continuous service - four (4) weeks' pay.

Provided that an employee with at least two (2) years of continuous service who is over the age of 45 years shall receive an extra week's pay.

(ii) Severance payment:
• Less than one (1) year's continuous service - Nil
• One (1) year's continuous service and less than two (2) years – 4 weeks
• Two (2) years continuous service and less than three (3) years - 6 weeks
• Three (3) years continuous service and less than four (4) years - 7 weeks
• Four (4) years continuous service and over - 8 weeks.”

EDUCATION INDUSTRY

“18.4.2 Voluntary Retrenchment

…

(f) The University shall provide, in addition to the retrenchment payment set out in sub-clause 18.6, the following benefits to any employee who is retrenched in accordance with clause 18.4.2(e):

(i) payment of remuneration for the unused portion of the Decision-making Period (a period of 4 weeks from the time that the voluntary redundancy is offered);
(ii) payment of four (4) weeks pay in lieu of notice (or five (5) weeks pay in lieu of notice where an employee is over 45 years of age at the time of retrenchment and who has completed at least two (2) years of continuous service with the University);
(iii) a training voucher to the value of $1750.00 or payment of $1750.00 at the employee's choice.”

EDUCATION INDUSTRY

“31.3.4 A staff member with an entitlement to 65 working days long service leave, and who has advised of their intention to retire within the next 5 years, may elect to forego accruing further long service leave and in lieu receive a 3.0% increase in salary.”

overtime for shiftworkers

This quarter has seen a spotlight on the differing hours of work and overtime patterns for shiftworkers, and the entitlements accrued through their generally more intensive patterns of work. The use of more flexible patterns of work, as well as tailored versions of quality of life benefits such as Time Off In Lieu of Overtime for shiftworkers is more evident. The first agreement from the transport services industry
provides paid time off during normal hours after overtime has been worked during the previous night. The clause sets specific guidelines around the utilisation of labour on a late night shift, giving set amounts of time off under specific conditions, in contrast to many provisions of this nature. This is a provision specific to the shipping and docking industry.

The second agreement from the chemical manufacturing sector focusses on averaging hours over a period of six weeks, so as to provide employees in general with a shorter working week. Employees work a shift pattern of thirty six hours which are paid as thirty eight hours per week, effectively “owing” the company two hours per week. These two hours are to be recouped by the company when they accrue a total of twelve hours, in which case the employee works another twelve hour shift. One feature of this provision, which should be viewed with caution, is the ability of the employer to demand a shift of “overtime” with no penalty payments. The ultimate effect of this clause is that it enables the employer to potentially increase the hours of work of an employee without payment of overtime or weekend penalties.

The third agreement, from the construction industry, permits a crib break to be included and paid as part of an overtime period if it is not taken within the normal shift time. This clause ensures that employees receive their entitlements, or compensation in circumstances which do not allow the paid crib period to be taken.

The final agreement in this section, from the metal manufacturing industry, makes time off in lieu of overtime (TOIL) available to shift workers. This agreement is from the metal manufacturing industry, and follows an emerging pattern of remuneration in TOIL provisions. This pattern allows workers to receive pay at single time for the actual amount of overtime worked, whilst accruing as TOIL the remaining overtime penalty due. The provision allows overtime penalties to be banked and taken within the month.

**TRANSPORT SERVICES INDUSTRY**

“Shift Arrangements
The following arrangements will apply for night-shift work during ship loading-

8.3.1.1 When the shift finishes prior to 0100 hours, then the employee will only be required to work four ordinary hours of the next normal working day, but will receive eight ordinary hours pay.

8.3.1.2 When the shift finishes at or after 0100 hours, then the employee will not be required for work the next normal working day, but will receive eight ordinary hours pay.”
CHEMICAL MANUFACTURING INDUSTRY

“8. HOURS OF WORK
The ordinary hours of work are nominally as set out in the Schedule hereto and are worked on a non-continuous shift basis at an average of thirty-eight hours per week over the period not exceeding one calendar year. Rostered days may be varied within the period Monday to Friday to suit production requirements.

Banked Hours
(i) The normal roster results in the employee working 3 x 12 hour shifts = 36 hours in a normal week, for which the employee gets paid 38. This results in the employee owing the company 2 hours per week.
(ii) Once these owed hours total 12, then the Company will require the employee to work an extra shift, at a time mutually agreed between the employee and the Production Manager, to reduce the owed hours back to zero.
(iii) Should the company require extra hours to be worked to support production demand, and the employee owes the company no hours, then the following arrangement will apply.
The employee will work the first twelve additional hours for no additional payment and this will result in the company owing the employee 12 hours. This 12 hour balance owed to the employee will then decrease by 2 hours per week as a result of (b)(i) above until the balance is again zero.
Should the employee be required to work more than 12 additional hours, overtime rates will apply.”

CONSTRUCTION INDUSTRY

“Crib Allowance
In the event of an Employee remaining at work after the usual ceasing time without taking crib time of 20 minutes and continuing at work for a period of one and a half hours or more, she/he shall be regarded as having worked 20 minutes more than the time worked and be paid accordingly, at the appropriate overtime rates.”

METAL MANUFACTURING INDUSTRY

“TIME OFF IN LIEU OF OVERTIME
Time off in lieu of overtime gives provision for an Operator having worked overtime on weekends and public holidays to elect one of two (2) payment options:
• To accept payment as per normal; or
• To exchange payment for time off in lieu of overtime.
Importantly, the following conditions apply:
1. Time in Lieu of Overtime is optional.
2. Time in Lieu of Overtime is only based on weekend and public holiday overtime.
3. Hours worked are paid at the equivalent of single time and the rest paid off as time in lieu if requested.
4. If Time off in Lieu of Overtime is elected, this should be requested at the time of submission on the timesheet pertaining to the overtime worked.
5. Time in Lieu of Overtime is only to be taken at a mutually agreed time, initiated by either party.
6. A maximum of sixteen (16) hours [two (2) days] per month to be accrued.
7. A maximum of thirty-two (32) hours [four (4) days] could be 'banked'.
8. Time off in lieu of overtime only to be taken in eight (8) hours' lots (One day).

**remuneration systems**

A common focus of many agreements continues to be the implementation of new and different systems of remuneration. Whilst previous ADAM Reports have noted an increased reliance on wage structures based on productivity indicators, analysis this quarter has shown new innovative classifications structures, rewarding employees for length of service and for flexibility in methods of operation.

The first agreement relates to an enterprise in the food manufacturing industry. In this case, a new classification structure has been introduced rewarding employees both for length of service, and for accredited skills and competencies. Pay levels are graduated by “skill points” allotted to each employee at regular reviews for the attainment of abilities and specific skills, and the utilisation of these skills in the workplace. Wages are also increased at regular intervals of service of the employee in the enterprise.

The second agreement in the footwear manufacturing industry aims to reward employees for their flexibility in the event of the introduction of a different remuneration system. This clause puts remunerative safeguards into place, ensuring employees that in the event of a results-based payment system being introduced, it will bring with it a guaranteed level of higher wages.
FOOD MANUFACTURING INDUSTRY

“RATES OF PAY

4.1.0 Hourly rates of pay – TABLE (matrix based on grouping and length of service)

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Probat-</th>
<th>0 to 15</th>
<th>15 to 40</th>
<th>Over 40</th>
<th>Home</th>
<th>Leading</th>
<th>Senior Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ionary</td>
<td>Level 3</td>
<td>Level 2</td>
<td>Level 1</td>
<td>Economist</td>
<td>Hand</td>
<td>Leading Hand</td>
</tr>
<tr>
<td>7 to 14 years</td>
<td>14.4775</td>
<td>15.1961</td>
<td>15.7281</td>
<td>15.2525</td>
<td>16.5289</td>
<td>17.2515</td>
<td></td>
</tr>
<tr>
<td>Over 14 years</td>
<td>14.7506</td>
<td>15.4788</td>
<td>16.0207</td>
<td>15.5575</td>
<td>16.8192</td>
<td>17.5965</td>
<td></td>
</tr>
</tbody>
</table>

Skills Assessment

The purpose of the skills assessment is to form a process of implementing structural change and efficiency measures by means of a classification structure which rewards employees for the acquisition of accredited skills and work competencies which are relevant to the Company.

The aim of the skills assessment is to accurately assess the extent to which employees fulfil the requirements of the skills that make up the classification structure. This information is converted into skill points, (Appendix 1 - Skills Point System) which determine the skill level at which the employee should be classified. Having attained skills points, workers must be prepared to work in these positions as directed by their supervisors or lose skill points.

Table 4.1.0 defines that there are four skill classification levels (See: Definitions of Classification Structure). To be classified in a particular skill level the employee must attain the relevant number of skill points by being able to perform the jobs indicated and also be willing to perform these jobs when requested.

A skills assessment review will be conducted every three Months to determine,

a) How many skill points an employee has
b) What classification level the employee is in.”

FOOTWEAR MANUFACTURING INDUSTRY

“19.12 Payments for piecework and taskwork
Subject to the following provisions, piece work or any other system of payment by results, may be adopted by an employer as long as such rates permit employees of averaged capacity toe earn at least ten per cent in addition to the total wages to which they are otherwise entitled under this award.”
productivity and performance payment systems

Productivity and performance systems this quarter have continued to flow primarily through profit and performance based pay increases. However, there have also been a larger proportion of bonus schemes based on performance in total quality management areas, such as occupational health and safety, relevant skills acquisitions, and absenteeism. These bonus schemes concentrate on rewarding employees for greater personal input into the enterprise. The first agreement from the food and beverage manufacturing industry provides the enterprise’s consultative committee with a specific budget for the purpose of rewarding individual employees for their input. However this provision tends to lack detail and specific mention of the structures which regulate their operation. This may tend to make the processes behind the awarding of such bonuses less transparent.

The second agreement from the food manufacturing industry rewards employees for decreased absenteeism, by allowing additional days of annual leave in return for accrued sick leave. However, the converted annual leave entitlement is quite low, with only one day’s additional annual leave per five day’s accrued sick leave. As well, the agreement does not state whether annual leave loading is paid on the swapped entitlement. The third agreement, from the retail industry, allows for a discretionary bonus to be paid to trainees on successful completion of agreed courses. Again, this provision lacks explanation of the processes of review undertaken by the employer and employee, and the methods by which an employee is assessed. This provision is one of several similar skills-based bonus provisions this quarter.

The final agreement from the chemical manufacturing sector provides an occupational health and safety incentive bonus, to be paid at Christmas time. The amount paid in this bonus is based on the severity of injuries over the previous seven months. The clause also specifies conditions under which the bonus will be decreased with increased severity of an individual injury. The clause does not specify whether this bonus is based on the employee’s individual performance, or whether it is based on the performance of all employees. While viewed as innovative, such incentives could potentially encourage employees to downplay the severity of injury and the inherent health risks of such behaviour.

**FOOD AND BEVERAGE MANUFACTURING INDUSTRY**

“The Consultative Committee shall be supplied with a budget of $5000 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 and local management, prior to any expenditure, on the proposed approach to giving out such an award.”
“27. (viii) As of March 1, 1995, Where an employee accumulates 5 days of untaken sick leave in year then such employee shall have 1 days paid annual leave added to his/her entitlement for that year. For each additional accumulation of 5 days of untaken sick leave a further 1 day’s paid annual leave will be added.”

**RETAIL INDUSTRY**

“1 Skills Acquisition Bonus
Existing employees who are trainees, on a satisfactory completion of agreed modules of the training plan, after three months of the traineeship and after execution of claim form incentive can receive at the employers discretion an amount of $250.”

**CHEMICAL MANUFACTURING INDUSTRY**

“Occupational Health and Safety Incentive
Both parties to this agreement acknowledge the importance of working safely and providing a safe working environment. To this end, the company is committed to reward employees covered by this agreement for good OH&S performance. Employees covered by this agreement will be eligible for a net cash payment of $500 (maximum) should OH&S performance meet agreed expectations.

The measure of performance will be directly linked to Workplace Accident and Injuries, for which the target for the recording period is No Lost Time Injuries and No Recordable Injuries. Additionally employee participation in the OH&S Committee, Training, Auditing and OH&S Initiatives is expected. Furthermore, the company expects all employees to report all forms of incidents that occur on site, for example, Near Misses/Dangerous Occurrences, property damage and all injuries. The sole reason for this so the company can act in a more pro-active manner to prevent injuries from occurring in the first place.

The measuring period for this incentive is 1st May 2001 to the 1st December 2002. The incentive will be paid two weeks prior to the Christmas shutdown. Both parties acknowledge and accept that should there be any Workplace injuries during the measuring period, then the incentive shall be reduced based on the severity of the injury. For example, should an employee require stitches to a lacerated finger and subsequently returns to work without losing a full day, the incentive will be reduced by $100. These types of injuries are referred to as Recordables. Should an employee suffer and injury that means they are unable to attend work and a full workday is lost, the incentive is the reduced by $200. These types of injuries are referred to as Lost Time Injuries.”
Industrial matters continue to be of importance in enterprise agreements this quarter, with a continuing introduction of union recognition and rights clauses. The preceding ADAM Report explored the possibility of the emergence of these clauses as a defensive reaction to current legislation regarding union rights. The following clauses however tend to highlight measures taken to improve industrial matters within enterprises.

The first agreement from the utilities industry moves away from the concept of TUTA or union education leave, providing instead “industrial relations education leave”. Whilst allowing for the union to be a facilitator in the allocation of this leave, the clause does not state specifically that the industrial leave is allowed only to union members or delegates. The clause also provides for paid leave to be given for the purpose of management committee meetings, as well as delegates to ACTU congress. This provides for a new approach to the application of industrial relations leave.

The second agreement, also from the utilities industry, shows a more structured and employer-friendly approach to union rights within an enterprise. As discussed, many union encouragement clauses simply formalise rights that are customary at a workplace for the purpose of union security. This clause however is more comprehensive and provides a structured framework for the interaction of union delegates and the employer at the workplace, suggesting a concerted effort at union/employer cooperation.

The final clause from the transport services sector is important simply for its statement of employer custom and rights, rather than union custom and rights. It formalises an arrangement that specifically prohibits contractors and sub-contractors from industrial action in tandem with regular employees, treating this action as a secondary boycott. It highlights questions as to industrial issues that do affect all employees on site, as well as the rights of contractors and their employees.

**UTILITIES INDUSTRY**

**‘INDUSTRIAL RELATIONS EDUCATION LEAVE**
Industrial Relations education leave is paid time off to acquire knowledge and competencies in industrial relations. Such knowledge and competencies can allow Employees to effectively participate in consultative structures, perform a representative role and further the effective operation of grievance and dispute settlement procedures.

Employees may be granted up to five (5) working days (or the equivalent hours) paid time off (non-cumulative) per calendar year to attend industrial relations education sessions, approved by [the employer].
Additional leave, over and above five (5) working days non-cumulative (or the equivalent hours) in any one calendar year may be granted where approved structured Employees' training courses involve more than five (5) working days (or the equivalent). Such leave will be subject to consultation between [the employer], the relevant union and the Employee.

Upon request and subject to approval by [the employer], Employees may be granted paid time off in special circumstances to attend Management Committee Meetings, Union Conferences, and ACTU Congress.

The granting of industrial relations education leave or any additional leave should not impact adversely on service delivery, work requirements or the effectiveness and efficiency of [the enterprise]. At the same time such leave shall not be unreasonably refused.”

**UTILITIES INDUSTRY**

“6.11 Upon receiving written advice from the Branch Secretary of the industrial organisation (union) that a member has been appointed to act as a union delegate at a workplace, or section of the workplace, [the employer] shall recognise such person as accredited by the union for as long as that person remains so appointed and remains attached to the workplace.

6.1.2 A union delegate shall be allowed such reasonable time during working hours, as may be agreed between [the employer] and the union delegate concerned, to:
(a) Discuss with the union members at the workplace at which they are union delegates, matters relative to working conditions and other matters, with a view to avoiding industrial disputation;
(b) Discuss with duly accredited full-time officers of the union matters referred to above;
(c) Discuss with [the employer], matters raised by members affecting their employment at the workplace.

6.1.3 Provided that service delivery and work requirements are not unduly affected, delegates will be provided convenient access to facilities needed to perform their functions as maybe agreed between [the employer] and the union delegate concerned.

6.1.4 Subject to the relevant employee’s written approval and any confidentiality provisions, union delegates may request access to documents and policies related to a member's employment.

6.1.5 [The employer] recognises the right of individuals to join a union and will encourage that membership. However, it is also recognised that union membership remains at the discretion of individuals.
6.1.6 An application for union membership and information on the relevant union(s) will be provided to all Employees at the point of engagement.

6.1.7 Information on the relevant union(s) will be included in induction materials.

6.1.8 Union delegates will be provided with the opportunity to discuss union membership with new Employees.

6.1.9 Where requested by unions, [the employer] will provide payroll deduction facilities for union subscriptions.”

TRANSPORT SERVICES INDUSTRY

“6.9 INDUSTRIAL INVOLVEMENT
Employees of contractors and or their subcontractors engaged under the terms of the agreement shall not be involved in industrial disputes involving either the permanent operations workforce or those employees performing maintenance work under the terms of (another) agreement.”

other innovations

The following two agreements provide innovations in other areas. The education sector agreement provides a comprehensive EEO clause for indigenous persons, highlighting respect for social and cultural customs, and attempting to implement affirmative action procedures for indigenous employees. The second agreement from the food and beverage manufacturing sector provides employees with an additional day of paid leave for the purposes of a “special event”. This is a family-friendly clause, allowing leave for “family-related” or sporting purposes, additional to paid sick leave or carers leave. It recognises the responsibilities of employees to other areas of their lives.
“39. INDIGENOUS EMPLOYMENT
1. [The employer] shall, in consultation with Indigenous staff and communities, the union and other stakeholders, develop an indigenous employment strategy consistent with the following principles:

   a) The parties give respect and consideration to the cultural, social and religious systems practiced by Indigenous Australians, recognise Indigenous Australian knowledge as a significant contribution to all other bodies of knowledge, and acknowledge the scholarship that Indigenous Australian employees bring to [the employer]. As far as possible, the parties will actively promote and recognise Indigenous Australian cultural practice and identity. The application of this principle needs to recognise the diversity of Indigenous Australian culture.

   b) The parties acknowledge that participation of Indigenous Australians in cultural or ceremonial activities enhances the effectiveness of Aboriginal and Torres Strait Islands people as employees. Provision for participation in ceremonial or cultural activities is therefore of direct benefit to [the employer].

   c) The parties recognise that a supportive working environment for Indigenous Australians requires the redress of past social injustice, exploitation and employment inequity. Consistent with the principles of Aboriginal and Torres Strait Islander social and restorative justice, and cultural affirmation, the parties are therefore committed to the development and implementation of an Indigenous Australian employment strategy which seeks to:

      * maximise staff development along with the transfer of job skills and information in order to increase indigenous knowledge, independence, remuneration, job security and self sufficiency;
      * increase, encourage and foster indigenous employment and participation at all levels of work activity including senior management;
      * facilitate and encourage the direct involvement of Indigenous employees in determining their own career strategies, goals and objectives.

   The parties agree that both [the employer] and employees shall maintain as their goal a continued improvement in the efficiency and effectiveness of their work consistent with these principles.

   d) This strategy shall encompass measures across [the organisation] as a whole and shall include in its goals the development of a policy for designation of positions at all levels for which being an Indigenous Australian is a genuine occupational qualification, reflecting the composition of the population of the catchment area.

   e) Other goals and priorities of the strategy shall be:
      * Participation of Indigenous employees in cultural and ceremonial activities;
      * Professional and career development opportunities;
      * The classification and levels of positions occupied by Indigenous Australian employees as compared to positions occupied by non-Indigenous Australian persons;
      * Retention and promotion of Indigenous staff.”
“Leave for Special Events
The Company recognises that occasionally employees have the opportunity to take part in a special event.

With the approval of the Supervisor, on the giving of at least one week's notice, the employee may, without loss of ordinary pay, take special event leave of up to one shift.

The taking of such special event leave shall not incur extra costs by way of overtime or casual staff to the Company nor shall the taking of such leave affect productivity. This provision shall be monitored by the Consultative Committee and Management to ensure it remains a source of team building and decision making at the Supervisor level.
For the purposes of this subclause, "Special Event" shall mean a family related or sporting event/activity as agreed to between the employee, team and Supervisor.”
technical notes

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

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

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

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

Sample

As at March 2002, the ADAM Database has information on 9,538 registered enterprise (collective) agreements from the Federal and State jurisdictions as follows:

Federal (4,510), New South Wales (1,708), Queensland (1,714), South Australia (622) and Western Australia (984).

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

Betty Frino, Alicia Pearce, and Chris Wright. Coding and data entry by Kate Leonard, 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 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 Betty Frino on:
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about ACIRRT, University of Sydney

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