Agreements Database

wage trends
wage increases in March 2001 quarter certified agreements
high wage outcomes in March 2001 quarter agreements
wage dispersion in current collective agreements
comparison of wage trends in AWAs and certified agreements
special issue – beyond the statistics: the content of high and low wage increase AWAs
weekly earnings

innovative provisions
remuneration
workplace flexibility
leave arrangements
family friendly provisions
cultural recognition
training and skills development
communication and consultation
other innovations
wage increases in March 2001 quarter certified agreements

The average annual wage increase for certified enterprise agreements registered in the March 2001 quarter was 3.7% (per agreement), down by half a percentage point from 4.2% in the December 2000 quarter. This drop in wage outcomes has substantiated claims of a wages slowdown despite pressure by the introduction of the GST and pattern bargaining through Campaign 2000 and 2001.

Figure 1.1 below shows that, unlike previous trends, public sector agreements delivered a higher average annual wage increase than private sector agreements (3.8% and 3.7% respectively). The margin between union collective and non-union collective agreements was extended in this quarter, with a gap of 0.7 percentage points.

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

Source: ADAM Database, 2001, ACIRRT, University of Sydney.
high wage outcomes in March 2001 quarter agreements

An examination of high average annual wage increases in the March quarter found that productivity improvement is the key determinant for wage increases in these agreements. The agreements also stated various other reasons for granting wage increases. The key areas focused on the recognition of productivity, altered working arrangements, the pace of workplace change, business fluctuations, improvements in production cycle times and employees’ commitment to the organisation. One particular employer stated that the wage increases were given as a genuine recognition of the employees’ proactive approach to change, ongoing business improvements and professional goodwill. Table 1.1 highlights these features.

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

<table>
<thead>
<tr>
<th>Industry (AAWI)</th>
<th>Key Provisions</th>
</tr>
</thead>
</table>
| Business Services (AAWI 7.50%) | • Wage increases total 22.5% and paid over four periods. Initial increase of 15% plus three payments of 2.5% annually.  
• 15% wage increase paid as part of an organisational strategy to place employees wage rates within the middle to high end of the salary range for occupations covered by this agreement.  
• The remaining 7.5% increase was paid over the duration of the agreement for ongoing commitment to workplace improvements.  
• Wages increases were in recognition of the pace of workplace change and the need for employees to cope with busy and slow work fluctuations throughout the year.  
• Wage rates annualised to accommodate changing work patterns and demands.  
• Wage rates reviewed and adjusted to reposition enterprise into the middle to higher end of the market. The trade off was the absorption of overtime into the wage rate. |
| Metal Manufacturing Sector (AAWI 7.5%) | • 15% wage increase paid over three instalments  
• Agreement emphasises a process of continuous performance improvement between employees and management, consultation and multi-skilling.  
• Start and finish times may be altered by agreement between the parties to adjust to winter and summer months. |
| Metal Manufacturing Sector (AAWI 6.9%) | • 12% wage increase paid over five periods.  
• A guaranteed wage increase of 8% paid over two instalments.  
• A further 4% wage increase (paid over a possible three periods) is linked to improvements in production cycle times and general productivity improvements. |
Table 1.1 (cont’d)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Wage Increase Details</th>
</tr>
</thead>
</table>
| Rail Construction Industry        | • 11.3% wage increase paid over four periods.  
• Initial wage increase of 3% followed by a further total of 8.7% over three periods.  
• Wage rates reflect the classification structure and skills enhancement programme developed as part of this agreement.  
• Wage rates are inclusive of all location allowances and for all workplace conditions. Payment for all allowances other than tool allowance is also included.  
• Ordinary working days are Monday to Sunday and can be determined at employer’s discretion.  
• Spread of hours may also be altered by agreement between management and majority of employees to accommodate adverse or difficult weather conditions or a specific project.  
• Facilitative provision - arrangements can also be made between employer and sections of employees to accommodate flexible working practices and recorded in individual ‘Working Conditions Agreements’. Once established, such documents shall be deemed to be part of the enterprise agreement. |
| Manufacturing and Retail Sector   | • 13% increase paid over three periods one 4% and two 4.5% payments.  
• Payments are in recognition of the productivity and altered working arrangements negotiated in the enterprise agreement.  
• These include such arrangements as implementation of performance improvement mechanisms, commitment to continuous improvements (including quality accreditation), flexibility, measurable/quantifiable performance standards, classification reviews, removal of demarcations and restrictive work practices and flexible working hours.  
• Employees may be given time off to attend to personal business (either without pay or by making up the time at ordinary rates of pay).  
• Start and finish times may be staggered to suit needs of the business. |
| Federal Public Service            | • 9% wage increase paid in three instalments of 4% and two 2.5% increases over an 18 month period.  
• Salary increases in recognition of employees’ commitment to the organisation and meeting objectives outlined in the organisation’s business plan.  
• The increases given are also in recognition of employees’ proactive approach to change, ongoing business improvements and professional goodwill.  
• Additional salary increases available subject to performance standards.  
• Flexible working hours over monthly periods. Span of hours are 7am-9pm Monday to Sunday. Employees may determine their start and finish times within the span of hours with the agreement of the Team Leader.  
• Employee assistance scheme and development of a ‘Health Awareness Program’  
• Over 4% of salary budgeted to fund staff training and development  
• Salary packaging also available |

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

Note: High wage agreements are defined as those delivering an AAWI of 6% or above.
wage dispersion in current collective agreements

There has been no change in the average annual percentage wage increases for currently operating agreements (that have yet to expire), remaining at 3.7% (see figure 1.2 below). The range of average annual wage increases was between 3.1% in recreational and personal services and 4.5% in construction. This is a gap of 1.4 percentage points.

Industry differences and union involvement are two key factors that seem to have the most significant impact on wage outcomes.

**Figure 1.2:** average annual wage increases (aawi) in current collective agreements and AWAs, by industry

Source: ADAM Database, 2001, ACIRRT, University of Sydney. Current agreements include all collective agreements which have not reached their stated nominal expiry date as at end March, 2001
comparison of wage trends in AWAs and certified agreements

ACIRRT’s ADAM Database currently holds information on a sample of 990 of the 3164 AWAs approved since the end of June 2001, representing just under one third (31%) of all approved AWAs to date. AWAs continue to deliver significantly lower wage increases than union and non-union collective agreements (2.4%, 3.9% and 3.1% respectively). Table 1.2 also shows that AWAs in the private sector are delivering lower wage outcomes than public sector AWAs. This is in contrast to the collective agreement stream, where private sector agreements typically deliver higher wage outcomes than public sector agreements.

Table 1.2: AAWI in currently operating agreements, by agreement type and union involvement*

<table>
<thead>
<tr>
<th></th>
<th>Union Agreements (n=1334)</th>
<th>Non-union Agreements (n=375)</th>
<th>AWAs** (n=104)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Agreements</td>
<td>3.9</td>
<td>3.1</td>
<td>2.4</td>
</tr>
<tr>
<td>Public Sector</td>
<td>3.4</td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Private Sector</td>
<td>4.0</td>
<td>3.1</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Source: ADAM Database, 2001, ACIRRT, University of Sydney.
Note: * Current agreements include all enterprise agreements and AWAs which have not reached their stated nominal expiry date as at end March, 2001. Data only accounts for AWAs approved between 1997-99.

** Not all AWAs provide wage increases in percentage terms or do not provide sufficient information to calculate the wage increase. They are therefore excluded from these calculations.
special issue – beyond the statistics: the content of high and low wage increase AWAs

This issue of the ADAM Report takes a closer look at the characteristics of AWAs that have delivered high and low average annual wage increases in an attempt to gain an understanding of the overall effect on working conditions. A selection of six high wage AWAs and four low wage AWAs were used (see Tables 1.3 and 1.4 below). An examination of these agreements found the following:

- Hours of work flexibility continues to dominate the terms of AWAs. Substantial changes to hours of work provisions continue to be one of the main areas of focus in AWAs. There is a strong emphasis on provisions dealing with achieving greater working time flexibility, particularly by expanding the ordinary working time arrangements and in turn reducing costs associated with working outside of ordinary hours.
- Weekly working hours are higher than the norm in both high and low wage AWAs. The longer hours are usually paid at the single ordinary rate of pay or through the absorption of penalties and allowances into the wage rate. Such ‘loaded’ rates provide a significant amount of hours flexibility for employers while also reducing costs.
- Wage increases were largely based on individual performance. Performance was dependent on ‘real’ improvements in the profitability of the business (as opposed to projected improvements).
- The use of loaded rates of pay through the absorption of allowances and penalty rates masks developments in wage trends. The analysis of low wage AWAs did not reveal any other form of direct compensation through other aspects of the employment conditions. There was a distinct lack of any other types of provisions, particularly those dealing with non-core (or non-monetary) issues such as consultation, training, occupational health and safety (OHS), employee representation and teamwork. With the exception of the road transport AWA, high and low wage AWAs generally lacked any detail with “softer” issues such as those relating to staff development and employee involvement.

**high wage AWAs**

- The first three high wage AWAs used the removal of overtime penalties, allowances and holiday loadings as a trade-off.
- These agreements were also associated with a longer working week. For example, one AWA provided for a 45 hour week and delivered a 30% wage increase over a 12 month period.
- Many high wage AWAs provided an initial wage increase whilst further increases were subject to performance reviews or bonus systems.
- High wage AWAs also more commonly used individual performance pay systems. In most instances the payments derived from these systems were in addition to the
wage increases contained within the AWA. Although the measurements used varied between industries, the key target area was on increasing annual turnover of the business.

- More innovative ideas were seen to emerge in the bonus payment systems used within AWAs. These systems provided individual employees with performance based bonus payments of up to 15% for their contributions to the enterprise. Other performance criteria used within bonus systems included retention rates and adherence to company standards. One AWA in the road transport sector used a standard prescribed annual productivity bonus. However, the bonus could be reduced if the employee did not follow company procedures.

**low wage AWAs**

- Low wage AWAs saw little change or trade-off with the actual hours of work being performed. However, some changes to the overtime penalty rates were made. That is, penalty payments were removed and replaced with a flat rate for overtime or payment at the base hourly rate.
- There was also variation between low wage AWAs in respect to annual leave loading. Some AWAs had the loading absorbed into weekly wage rates whilst others maintained them. For example, one AWA provided 6 weeks of annual leave, however only paid leave loading for the first 4 weeks.
- Although the AWAs indicate the wage increases that occur throughout the agreement, information regarding whether any increase had taken place prior to the signing of the agreement is unable to be obtained in some cases. This was particularly the case with the ‘low wage’ road transport agreement.
Table 1.3: Summary of key provisions in high wage AWAs

<table>
<thead>
<tr>
<th>Industry</th>
<th>Wage Increases / Duration</th>
<th>Hours of work and overtime arrangements</th>
<th>Annual leave</th>
<th>Consultation</th>
<th>Productivity &amp; performance initiatives</th>
<th>Terminati on/Redun dancy</th>
<th>Training</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitality</td>
<td>AAWI 30%</td>
<td>45 Hour week Mon-Fri 5 shifts at 9 hours per day 25% of wage increase has absorbed all overtime, penalty rates, split shift allowances, and penalty rates</td>
<td>5% of wage increase has absorbed annual leave loading and public holidays</td>
<td>Statutory</td>
<td>Staff discount on products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Admin</td>
<td>AAWI 18.5%</td>
<td>Annualised salary includes all penalty rates</td>
<td>Annual leave loading absorbed into annualised salary</td>
<td>10% of wage increase subject to performance review, market trends and availability of funds for those at upper salary band. Equivalent of 2% of annual remuneration paid on commencement of agreement Equivalent of 1% of annual remuneration paid on anniversary of the commencement date on the condition that a performance scheme has been established A one off bonus payment of up to 10% of the employee’s remuneration may be made in circumstances of exceptional achievement</td>
<td>Mentioned but no details</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wine manufact’</td>
<td>AAWI 19.2%</td>
<td>40 Hour week Mon-Fri, 6am-5pm All overtime paid at single rate</td>
<td>4 weeks</td>
<td>Bonus payment contingent on productivity improvements and remaining in the position for 12 months</td>
<td>2 weeks written notice by either party</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plumbing Services</td>
<td>AAWI 12%</td>
<td>20 day 4 week cycle Mon-Fri, 6am-6pm Overtime: 140% first 2 hours, 180% thereafter. Sat: 150% first 2 hours, and 200% thereafter. Sun: 200% Pub Hol: 250%</td>
<td>Statutory</td>
<td>Some industry allowances absorbed into base hourly rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Government Admin</td>
<td>AAWI 13%</td>
<td>76 hours worked over any 14 day cycle. 2 consecutive days out of seven will not be worked All overtime paid at base rate of classification</td>
<td>4 weeks, 17.5% leave loading</td>
<td>2 annual performance reviews that allow the employee to increase their salary by 1.75%-2.25% A one-off bonus payment of up to 15% of the ordinary rate of pay for any particular achievement</td>
<td>As per State Government policy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road services</td>
<td>9% over 22 months</td>
<td>152 hours to be worked over a 19 day period. Team based rostering can be used. Overtime: 150% first 2 hours, 200% thereafter. Sat and Sun: 200%</td>
<td>4 weeks annual leave</td>
<td>Consultative and OHS committees are established</td>
<td>Performance based bonus linked to KPIs developed for each position. Bonus of up to 2% available per 12 month period</td>
<td>Training program mentioned. Training to make up 5% pa of hours worked (equates to 1.5 days per month)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ADAM Database, 2001, ACIRRT, University of Sydney.
Table 1.4: Summary of key provisions in low wage AWAs

<table>
<thead>
<tr>
<th>Industry</th>
<th>Wage Increases &amp; Duration</th>
<th>Hours of work and overtime arrangements</th>
<th>Annual leave</th>
<th>Consultation</th>
<th>Productivity &amp; performance initiatives</th>
<th>Termination &amp; Redundancy</th>
<th>Training</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road transport</td>
<td>AAWI 1% (initial wage increase given but not known)</td>
<td>Duration: 36 months</td>
<td></td>
<td></td>
<td>Statutory</td>
<td>Productivity bonus paid annually. This bonus can be reduced by the employee’s conduct not adhering to company standards. A detailed provision</td>
<td>5 days written notice given by both parties</td>
<td>All allowances absorbed into weekly wage Staff discount on products (50%)</td>
</tr>
<tr>
<td>Food retailing</td>
<td>AAWI 1%</td>
<td>Duration: 36 months</td>
<td>38 hour week Mon-Sun, 7am-9pm Overtime paid at base rate of classification</td>
<td>2 hour limit per day</td>
<td>Statutory: Annual leave loading does not apply</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sport/recreation</td>
<td>AAWI 1.95%</td>
<td>Duration: 36 months</td>
<td>37.5 hour week Mon-Fri, 9am-5pm All excess work taken as time in lieu on an hour for hour basis</td>
<td>4 weeks 1.95% wage increase absorbed annual leave loading</td>
<td>Further wage increases based on annual performance reviews Incentive program (non-monetary). Availability of program will be based on the financial performance of the organisation. Distribution of entitlements is up to Management discretion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health services</td>
<td>AAWI 2%</td>
<td>Duration: 36 months</td>
<td>38 hour week Max of 10 hours per day 150% first 2 hours 200% thereafter</td>
<td>6 weeks annual leave 17.5% annual leave loading only applies to 4 weeks</td>
<td>Further wage increases subject to CPI movements and financial performance of the employer</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ADAM Database, 2001, ACIRRT, University of Sydney.
weekly earnings

An examination of weekly earnings using ABS figures has found significant differences for workers covered by individual arrangements and collective arrangements. Workers covered by registered individual agreements are earning $79.60 more each week than those on registered collective agreements (Table 1.5). However, these differences are largely explained by the occupational distribution of AWAs. Statistics from the Office of Employment Advocate (OEA) found that over one third (37%) of AWAs cover managers, administrators and professional employees. Such workers typically earn higher wages.

Table 1.5: Weekly earnings for collective and individual arrangements, by occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Collective agreements</th>
<th>Individual agreements</th>
<th>$ Difference per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and administrators</td>
<td>$1,231.00</td>
<td>$1,280.40</td>
<td>-49.40</td>
</tr>
<tr>
<td>Professionals</td>
<td>$831.50</td>
<td>$941.90</td>
<td>-110.40</td>
</tr>
<tr>
<td>Associate professionals</td>
<td>$859.70</td>
<td>$762.50</td>
<td>97.20</td>
</tr>
<tr>
<td>Tradespersons and related workers</td>
<td>$873.40</td>
<td>$679.60</td>
<td>193.80</td>
</tr>
<tr>
<td>Advanced clerical and service workers</td>
<td>$754.50</td>
<td>$557.10</td>
<td>197.40</td>
</tr>
<tr>
<td>Intermediate clerical, sales and service workers</td>
<td>$565.30</td>
<td>$551.40</td>
<td>13.90</td>
</tr>
<tr>
<td>Intermediate production and transport workers</td>
<td>$718.00</td>
<td>$619.00</td>
<td>99.00</td>
</tr>
<tr>
<td>Elementary clerical, sales and service workers</td>
<td>$371.40</td>
<td>$412.70</td>
<td>-41.30</td>
</tr>
<tr>
<td>Labourers and related workers</td>
<td>$612.80</td>
<td>$443.30</td>
<td>169.50</td>
</tr>
<tr>
<td>All occupations</td>
<td>$717.40</td>
<td>$730.80</td>
<td>-13.40</td>
</tr>
</tbody>
</table>

Source: ABS, Employee Earnings and Hours Survey, May 2000, published and unpublished preliminary data

Note: Collective agreements includes registered and unregistered
**remuneration**

Enterprise agreements continue to focus on remuneration as a key issue. The agreements that follow show the links between organisational performance, productivity objectives and employee rewards. The first agreement in the insurance sector develops a comprehensive remuneration system that includes consultative mechanisms between management and union representatives when determining the composition of wages. The remuneration structure is comprised of three key areas: Total Salary, Incentives and Recognition. Remuneration and incentives are reviewed annually and take into account individual performance, team & organisational performance, market relativities and organisational plans and objectives. A Remuneration Review Committee has been established to ensure that the outcomes of this process are fair. The second agreement provides for the possibility of the employer establishing an income protection scheme for the workers in lieu of a portion of the salary increase provided. The third agreement (public sector) rewards employees, in the form of bonus payments, for being available to cover any unforeseen incidents at the work site throughout the year. The final agreement also from the public sector rewards employees for their good performance and/or for their extra effort or sacrifice.

**remuneration system**

**INSURANCE INDUSTRY**

“9. REMUNERATION SYSTEM

9.1 Overview
[The Company and the Union] are committed to an integrated system of remuneration which provides for Total Salary review, performance based incentives and recognition arrangements.

... 

The current remuneration system encompasses the following:
individual performance reward;
market adjustments;
incentives;
reward schemes; and
Remuneration Review Committee.
The review of Total Salary is underpinned by a remuneration process which is fair, market competitive, and encourages and rewards employees for the level of their performance.

... 

f) At least two months prior to each Total Salary review period, [The Company and the Union] will consult about items impacting the review such as:
internal salary range movements, external market related salary movements and business performance; and
the allocation of funds for the annual Total Salary review.
[The Company and the Union] will also review the guidelines provided to management to ensure they are in accordance with the principles of the system.

9.2 Annual Total Salary Review
[The Company and the Union] agree that in addition to any factors that research and consultation may cause to be included, the following principles will apply:
Salaries for employees will be reviewed at least annually.
The factors listed below will influence Total Salary movement and will be considered by managers when conducting a remuneration review:
the employee's performance;
movement in the salary/job family range and external market data;
the employee's position within the range and external market data;
budget objectives;
time since last review;
business unit plans;
business performance.
Performance related bonus payments are an important feature of the Remuneration System. In some circumstances these payments are used to reward employees in lieu of or in addition to Total Salary adjustments.

... Salary adjustments are to be recommended by the manager, approved by the next level manager and explained to each employee.
Managers will be responsible for providing and explaining to their employees information regarding salary ranges and market data (where available). Employees will see the link between their performance, factors affecting salary movements in the broader labour market and the outcome of their Total Salary review.
Employees should be able to influence the factors which determine performance payments and when performance is assessed, adjustment will be made for circumstances outside the employee's sphere of control.

... Within two months of the completion of the Total Salary review, [The Company] will provide the [Union] with information on the following:
an overview of increases to Total Salary, including the average Total Salary increase and general spread of Total Salary increases; and
the number of employees who received a nil review and who have not received an increase to Total Salary or a performance related bonus payment (excluding incentive payments) in the period between the preceding Total Salary review and the current Total Salary review.

9.3 Incentive Plan
Employees will have the opportunity to participate in an incentive plan.
The incentive plan will operate in addition to the above process of reviewing Total Salary and will not be used to offset the value of future increases to Total Salary. Employees may earn incentives to a maximum of 10% of their Total Salary based on a combination of organisational and/or business unit and/or team and/or individual performance. Incentive plans will be determined by business units with input from employees covered by the plan. For the individual component, employees must be able to influence the outcome through the establishment of mutually agreed and relevant objectives.

9.4 Recognition Program
All employees will have the opportunity to be rewarded by the recognition program. The recognition component will operate in addition to the above processes of reviewing Total Salary and incentive plan and will not be used to offset the value of future increases to Total Salary. [The company’s] goal is to spend an amount equivalent to 1% of the Total Salary budget on recognition.

9.5 General Safeguards
[The company and the Union] recognise the importance of employees being remunerated fairly...[The Company’s] ongoing commitment is to fund the outcome of each of the three components ie. Total Salary review, Incentives and Recognition.

9.6 Remuneration Review Committee
A committee titled the Remuneration Review Committee will be formed. The purpose of this committee is to ensure the principles and the procedures underpinning section 9 of this Agreement are consistently applied by: monitoring the operation of the system; and reviewing individual employees who have not received a Total Salary increase or a performance related bonus payment (excluding any incentive plan payment).

9.7 Link to the Performance Management System
The parties agree that a performance management system is vital to ensure that the Total Salary review and incentive program are, as far as possible, conducted in an objective manner. In addition, the system should promote a developmental approach to the performance management and development of employees.”
income protection and wage increases

ELECTRICAL MANUFACTURING

“11. WAGES

. . . Where the company makes a provision for Income protection insurance during the life of this agreement the first wage increase following the introduction will be reduced by 1%. All parties to this agreement must approve the income protection scheme.

For the year 2001 an increase of 4.0% will be applied and back paid from the first pay period after 1st January 2001. Further 25% of the plan bonus payment will converted into the base rates. Percentage increase is detailed in the table below.

A 5.0% increase in base rates the will be paid on the first pay period after 1st January 2002. If income protection insurance is introduced during 2001, then the wage increase will be 4%.

A 5.0% increase in base rates the will be paid on the first pay period after 1st January 2003. If income protection insurance is not introduced in 2001 but introduced during 2002, then the wage increase will be 4%.

There shall be no further wage increases negotiated for the life of the agreement.”

out of hours work incentives

STATE GOVERNMENT ADMINISTRATION

“Business Continuity Incentive
An availability payment of 3.5% of employee's PAYG salary will be paid once a year in the month of July. This amount shall be payable as a once off payment in the form of a cheque and will not add to the employee’s base salary. This amount will be payable to an employee provided that the employee participates in the incident management team or any other such team requiring an employee to be available out of hours. Rostering of such activities shall be done in a manner that would roster employees on for a one week period in every ten weeks unless mutually agreed otherwise. No pro rated payment will occur where participation has not exceeded more than 5 weeks in each year.

Where an employee is called out for duty, the time the employee is on duty (time of call to time back home) will be given as time in lieu to be taken at a mutually convenient time.

Payment regarding this incentive shall be monitored and validated by the Remuneration Committee along with the Monitoring and Consultative Committee who shall consider any extenuating circumstances for individual employees.”
performance bonus

PUBLIC SECTOR

“7.6 Performance Bonus and Rewards
Where employees are assessed as "Meets Agreed Expectations" or better and are at the top of their salary range, the Secretary will make a one-off lump sum, payment to those employees equal to 1.5% of their salary point.

..."
30. OUR MUTUAL FLEXIBILITY TOWARDS HOURS OF WORK

30.1 You and we agree that seasonal fluctuations and their impact on stock availability demands a flexible approach to when, at what times and how long we will perform our work.

30.2 In response to these fluctuations, we reserve the right under this Agreement to introduce, with one (1) week's notice, one of the following four (4) working arrangement options:

30.3 **OPTION 1 - Production Day Work**
30.3.1 Your production hours will be up to eight (8) hours per day with an average of forty (40) hours per week.
30.3.2 You will be scheduled to work your production hours between the hours of 4.00am and 8.00pm on Monday to Friday.
30.3.3 You will be required to work an extra production hour per day as directed by us, credited to your “Shut Down” leave bank (see clause 34) on a time and one 3 quarter basis.
30.3.4 You will be required to work Saturdays as extra production days in response to peak production periods as directed by us, credited to your “Shut Down” leave bank (see clause 34) on a time and one half basis.
30.3.7 Your Supervisor will advise you of extra production days to be worked with two (2) days notice and extra production hours on a day to day basis.

**OR**

30.4 **OPTION 2 - Production 7 Day Work**
30.4.1 Your production hours will be up to eight (8) hours per day with an average of forty (40) hours per seven (7) day production cycle.
30.4.2 You will be scheduled to work your production hours between the hours of 4.00am and 8.00pm on any day Monday to Sunday inclusive.
30.4.3 You will be scheduled to work five (5) production days over the seven (7) day production cycle, with the remaining two (2) days taken as rest days.
30.4.4 You may be required to work an extra production hour per day as directed by us, credited to your “Shut Down” leave bank (see clause 34 on a time and one quarter basis.
30.4.5 You may be required to work an extra production day in response to peak production periods as directed by us, credited to your “Shut Down” leave bank (see clause 34) on a time and one half basis.
30.4.8 Your Supervisor will advise you of extra production days to be worked with two (2) days notice and extra production hours on a day to day basis.

**OR**

30.5 **OPTION 3 - Production Afternoon Shift**
30.5.1 Your production hours will be up to eight (8) hours per shift with an average of forty (40) hours per week.
30.5.2 You will be scheduled to work your production hours between the hours 2.00pm and 4.00am on Monday to Friday.
30.5.3 You will receive a twelve (12) per cent loading on your normal rate of pay for all hours worked.
30.5.4 You will be required to work an extra production hour per shift as directed by us, credited to your “Shut Down” leave bank (see clause 34) on a time and one quarter basis.
30.5.5 Your Supervisor will advise you of extra production hours on a shift to shift basis.

OR

30.6 OPTION 4- Production 10 Hour Days
30.6.1 Your production hours will be up to ten (10) hours per day with an average of forty (40) hours per four (4) day production cycle.
30.6.2 You will be scheduled to work your production hours between the hours of 4.00am and 8.00pm on any day Monday to Friday inclusive.
30.6.3 You may be required to work an extra production hour per day as directed by us, credited to your “Shut Down” leave bank (see clause 34) on a time and one quarter basis.
30.6.4 You may be required to work an extra production day in response to peak production periods as directed by us, credited to your “Shut Down” leave bank (see clause 34) on a time and one half basis.
30.6.5 Your Supervisor will advise you of extra production days to be worked with two (2) days notice and extra production hours on a day to day basis.”

**leave arrangements**

Innovative leave arrangements are a regular feature of collective agreements. Employers are constantly searching for new ways to provide paid time off, while reducing costs and absenteeism levels. The following agreements offer a variety of different innovative leave arrangements. The first two agreements are similar, as they both provide the option of taking unused sick leave as additional holiday time. The public service agreement provides additional time off in lieu of annual leave loading. The pharmaceutical agreement offers casual employees the opportunity to accrue long service leave on a full-time basis.

**sick leave**

**INSURANCE INDUSTRY**

“14. SICK LEAVE
14.1 Employees may elect to use up to 25% of the unused portion of the first ten days of their annual sick leave entitlements as annual leave each year.

14.2 Employees must make their election on completion of the year in which they were entitled to take sick leave.”
14.3 The election will apply to the unused balance of the first ten days sick leave for the completed year only and not to sick leave accrued in previous years.

14.4 Sick leave taken as additional annual leave under this provision will be paid at the ordinary rate of pay and no leave loading or penalties will be payable by [the Company] in respect of such leave.

14.5 Sick leave taken as additional annual leave under this provision will be taken in accordance with the provisions in the Award relating to the taking of annual leave.

14.6 For the purpose of this clause employees taking sick leave will be deemed to be taking sick leave from their entitlement for the current year before accessing any accrued sick leave from previous years.”

**sick or holiday leave**

**AGRICULTURAL INDUSTRY**

“29 Sick Leave
29.3 An employer may by agreement with any employee grant such employee eight days holiday on full pay in lieu of payment for absence through sickness or, if such additional holiday cannot be granted, give eight days pay in lieu thereof.”

**leave loading**

**PUBLIC SERVICE**

“16. Leave Loading
An additional three (3) days recreational leave to be given to all staff (per annum) in lieu of leave loading. These additional three (3) days are generally taken during the Christmas break, however this may be negotiated.”

**long service leave**

**PHARMACEUTICALS INDUSTRY**

“7.4.1 Taking Long Service Leave – Alternative Provision for Casual Employees
(1) An employer may agree with a casual employee that the entitlement to long service leave may be taken in the form of its full-time equivalent.

*Example*
If an employee
(a) is entitled to be paid for 260 hours long service leave; and
(b) works under an award that provides for a full-time working week of 40 ordinary working hours;
the employee and the employer may agree that the employee take 6.5 weeks leave (260 / 40 = 6.5).
An employee who worked 15,600 ordinary working hours over a 15 year period and is being paid an hourly rate of $10 would be entitled to be paid

\[
\frac{15,600 \times 13}{52} \times \frac{x \times 10}{15} = 260 \times 10 = \$2,600
\]

family friendly provisions

The following agreements feature a range of methods used by employers and their employees to balance work and family commitments. The first agreement in the insurance sector provides innovative and flexible maternity/paternity and personal/carers leave arrangements. Second, another insurance industry agreement gives an example of reimbursement provided for additional dependant care costs incurred due to working extra hours. The third agreement, from the hospitality industry, takes into account the needs of working mothers when designing shift rosters and specific start and finish times.

parental and child care leave

INSURANCE INDUSTRY

“15.4 Parental and Child Care Leave
[The employer] recognises the value of staff and encourages their return to work and continuation of employment following Parental Leave. As part of [the Company’s] commitment to introducing family friendly policies, as well as aiming for increased flexibility in the workplace, staff are permitted to take an extended period of unpaid leave for up to 2 years, subject to certain conditions.

15.4.1 Child Care Leave
In addition to the current Parental Leave entitlement, Childcare Leave will be introduced.

- Childcare Leave is an additional 12 months leave available to any staff member who has taken a period of Parental Leave while working with [the Company] to attend family responsibilities, up until a child is 6 years of age.
- Childcare Leave will be available to those staff who have commenced Parental Leave since 1 January 1996.

15.4.1.1 Options for Taking Leave
A combination of Parental and Childcare Leave can be taken.

15.4.1.2 Untaken Leave
Untaken periods of Childcare Leave are not accumulated. As per the current Parental Leave entitlement any leave not taken is lost. While the birth of a second or subsequent child will
cancel out any period of Childcare Leave not already taken from the first entitlement, a staff member would be eligible for a further period of Childcare Leave.

15.5 Personal/Carer's Leave

a) An employee shall, wherever practicable, give the employer notice prior to the absence of the intention to take leave, the name of the person requiring care and their relationship to the employee, their reasons for taking such leave and the estimated length of absence. If it is not practicable for the employee to give prior notice of absence, the employee shall notify the employer by telephone of such absence at the first opportunity on the day of absence.

a) An employee may elect, with the consent of the employer, to work “make-up” time, under which the employee takes time off during ordinary hours, and works those hours at a later time, during the spread of ordinary hours provided under this Agreement, at the ordinary rate of pay.

b) An employee on shift work may elect with the consent of their employer, to work “make-up time”, (under which the employee takes time off during ordinary hours, and works those hours at a later time), at the shift work rate which would have been applicable to the hours taken off.”

dependant care costs

INSURANCE INDUSTRY

“4.15 Reimbursement of Additional Dependant Care Costs

Employees will be reimbursed for reasonable penalty or additional dependant care costs incurred due to extended work hours (for example, overtime worked on an ad-hoc basis) and attending conferences/training courses or compulsory work function outside of normal work hours.

Employees will receive reimbursement where:
• they can provide evidence of additional costs incurred
• their manager has authorised the additional hours worked or attendance at conferences, training courses or compulsory work functions
• their manager has agreed to the reimbursement prior to the additional hours worked or attendance at the conference, training course or compulsory work function

4.16 Dependant Care Issues

Employees with dependant care responsibilities will be given sufficient flexibility within the work environment to attend to these needs. This may require a change to hours worked, or other arrangements that will be subject to negotiation with the specific manager of the employee concerned.”
**hours flexibility**

**HOSPITALITY**

“Flexible hours
House staff hours are designed to facilitate working mothers organising family commitments and to that end the start and finish time does and will reflect school time tables, drop off and pick up schedules and rostering will reflect domestic and school time tables.”

**cultural recognition**

Many Australian workplaces employ a diverse range of people from the community. Culturally sensitive workplace arrangements although not common place, are becoming a focus for employers. The following agreements provide examples of how employers are altering workplace arrangements to meet the special needs of their employees. The first agreement is an excellent example of both the employer and employee finding a compromise, which suits employee needs without disrupting production or increasing costs for the employer in working Sundays. The community services agreement allows employees to substitute a day for a public holiday.

**sunday work**

**VEHICLE INDUSTRY**

“12. ANTI-DISCRIMINATION OF SUNDAY WORKERS
Some employees have strong personal beliefs which prevent them working on Saturday. The company from time-to-time offers work to employees on Saturday, and is not able to offer such work on Sundays due to the increased cost of Sunday overtime rates.

The intent of this clause is to allow overtime work on Sunday to be offered to these employees, and where they agree to perform such work will be paid at the overtime rates applicable to Saturday work (i.e: at the rate of time and a half for the first three hours, and double time thereafter.)”

**public holiday substitution**

**COMMUNITY SERVICES**

“8.3 Public Holidays
An employee may, for religious or cultural reasons, may apply to the employer to substitute another day for any prescribed public holiday.”
training and skills development

Training is an essential part of any workplace development plan and is essential for meeting organisational goals and objectives. The insurance industry agreement has committed to staff training and development to ensure that employees have the necessary skills required for changes introduced as a result of the new collective agreement. The transport industry agreement has introduced rates of pay dependent on training and skill acquisition. The agreement outlines the core skills and training necessary for the job.

training and education

INSURANCE INDUSTRY

“13.1.1 Implementation
a) [The Company and the Union] are committed to the involvement of staff in the implementation of more flexible working patterns.

b) [The Company] will involve the [Union] in the process of education and training for managers and staff to develop the knowledge and skills necessary for implementation and managing flexible working arrangements.”

peripheral skills

TRANSPORT INDUSTRY

“9.3 To achieve the rate of pay … employees must commit to training to achieve a target of six core skills. However, employees must also commit themselves to training in ancillary skills, eg equipment servicing, pit de-watering, cranes, hiabs, train loading etc.”

communication and consultation

To ensure the effectiveness of any changes introduced through collective bargaining it is important to ensure that there is effective consultation and communication. This is especially the case when introducing change within the workplace. The finance industry agreement commits to improve communication between management and employees to increase knowledge of company products and services and generally improve information sharing. While the food manufacturing industry agreement uses the workplace consultative committee to make decisions in relation to making employees redundant. The third agreement ensures that staff are involved in the implementation of all organisational changes as a result of the enterprise agreement.
FINANCE INDUSTRY

5.3 Company Awareness
A Group-wide communication plan will give employees a greater understanding of the products and services of all business units and help create a more seamless service organisation. During 2001-2002 [the Company] will develop a communication plan for ensuring that employees have access to information on Group structure, strategy and activities. This communication plan will utilise various communication tools (e.g. videos, briefing sessions, newsletters, Lotus Notes) and will recognise that certain groups of employees require different types of information at different times.

5.4 Communication
[The Company] is committed to transparent communication and decision-making. This includes sharing information between business areas and between managers and employees.

[The Company] will use a mix of communication channels to create a shared understanding. These channels are included in the attached list. [The Company] will also provide employees with opportunities to provide feedback and ask questions such as "B Frank (Lotus Notes) and Let’s Talk (face-to-face discussion forums with the executive team and managers).

Employees can access people support and tools to assist them in the planning and implementation of communication, for example:

- The Communications Network which consists of a cross-section of employees in different locations whose role is to help facilitate communication, provide input and feedback
- The [the Company] Style Guide for Written Communication - a new standards and writing skills guide (available on intranet, with coaching support in 2001)
- The Guide to Communicating - a new blueprint for how we communicate at [the Company], including a 'toolkit' of documents supporting it (our principles, Communication Planner template, how to participate in communications - ZTV, Oz News, etc); also available on intranet, with ongoing coaching support.

Our communications network's vision for 2001 and 2002 is to achieve greater interaction in all communication at [the Company].

5.6 Type of Information to be communicated to all Employees
[the Company] will communicate relevant information to employees at the corporate level, business unit level and team level, including:

- business performance
- business plans
- strategy
- activities
- wins
- issues
- global strategy and activities

- The organisation will also communicate:
individual employee information (eg career opportunities, payroll, superannuation)
• corporate processes (eg expenses reporting)
• changes (eg office relocation, organisational change)
• feedback (eg employee surveys)

redundancy and consultative committee

FOOD MANUFACTURING

“Where there are no volunteers [for redundancy] from among the affected employees or where there are more volunteers from among the affected employees than are required then discussion will take place within the Consultative Committee to recommend the employees to be made redundant. Management will make the final decision to ensure that the most competent and skilled employees are retained.”

communication

INSURANCE INDUSTRY

“5 Implementation and Review
[The Company and the Union] are committed to the involvement of staff in the implementation of the Agreement. [The Company and the Union] will together develop a comprehensive communication package for the implementation of this agreement.

For this Agreement, there will be a document showing the areas that have changed from the previous agreement.”

other innovations

The following sample of agreements provide innovations in other areas. The electrical industry agreement provides an example of a ‘service fee’ that must be paid by employees who are not members of the union at the workplace. Although this agreement provides for weekly payments, many agreement are beginning to include an annual bargaining agent’s fee for non-union members who also benefit from wages increase gained through union bargaining. The construction industry agreement encourages social interaction of employees in that the company has agreed to match donations made to the Company social club. The transport industry agreement rewards employees whose suggestions have improved work practices.

union dues

ELECTRICAL INDUSTRY

“31. Service Fee
Employees who benefit from the wages contained in this agreement that are not members of the [Union] shall have a service fee of $8.00 per week deducted from their wages.”
**social club**

**CONSTRUCTION INDUSTRY**

“Social Club
The Company shall match dollar for dollar employee contributions to the Company Social Club.”

**employee suggestions**

**TRANSPORT INDUSTRY**

“27- Recognition for Exceptional Improvement Achieved by Employee Suggestion
The Company will review on a case by case basis rewarding employees for their extraordinary, unique and innovative idea(s) that have been implemented to make a significant (step change) improvement in Company work practice(s), efficiency and productivity.

In each case employee(s) must be able to demonstrate their use of best practice methodology of planning, implementing, measuring, and improving the process(es) to produce the exceptional gain.

Apart from personal recognition, employees may receive a monetary reward based on the significant gain achieved by the Company on implementing the suggestion.”
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). ACIRRT also uses a simple rather than compound percentage wage increase.

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

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

The all current wage estimates are the AAWI per agreement for all quantifiable agreements that are yet to reach their nominal expiry date as at the end of the specified quarter.

Sample

As at June 2001, the ADAM Database has information on 8721 registered enterprise (collective) agreements from the Federal and State jurisdictions as follows:

Federal (4131), New South Wales (1581), Queensland (1553), South Australian (528) and Western Australian (928).

The ADAM Database also holds information on federal Australian Workplace Agreements covering 990 employers (of the current total of 3164 employers with AWAs).
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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 8,700 federal and state enterprise agreements and up to 1000 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 Arsovska on:
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about ACIRRT
Based at the University of Sydney, ACIRRT is one of Australia’s leading, multi-disciplinary, research and training organisations. We monitor and analyse the changing nature of work. Integral to this is an examination of the wider institutional, economic and social structures as they impact on the workplace, organisations and individuals. The Centre, over the past 10 years, has retained a broad labour market perspective, and enjoys a reputation for independent, authoritative, rigorous and innovative research. We are proud of the fact that our clients include employers from the private and public sectors, employer associations, unions, community based organisations and both Coalition and Labor Governments.

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