Agreements Database Monitor

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wage increases in December 2000 quarter certified agreements

The average annual wage increase for certified enterprise agreements registered in the December 2000 quarter was 4.2% (per agreement), up by 0.2 percentage points from 4% in the September 2000 quarter.

quarterly wage movements in enterprise agreements

The December quarter figure has broken the 4% barrier for the first time in two years (eight successive quarters). Figure 1.1 illustrates these quarterly movements in enterprise agreement wage outcomes over the last four years. The figures reveal that, with the exception of the December 1998 quarter spike and the June 1999 quarter lull, outcomes in wage movements have remained stable and constant, particularly over the past two years.

Figure 1.1: average annual percentage wage increases in enterprise agreements: quarterly figures, December 1996 – December 2000

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

The impact of wage increases in the agreements sector on the general economy is further softened as a result of the reduced influence of traditional pacesetters. Throughout the 1990s, Australia has witnessed significant shifts in the way employers use labour (such as through outsourcing and contractors). Coupled with increasing
casualisation and a decline in union presence in traditional pacesetting industries, this has effectively reduced the ability of unions in setting the wages agenda.

Public sector agreements were a driving factor in the overall increase in the December quarter figures, increasing by 0.5 percentage points from the September quarter of 3.4% per annum. The private sector, however, still remains ahead with an average annual wage increase of 4.3% (up from 4.1% in the previous quarter). Figure 1.2 below also shows that the margin between union collective and non-union collective agreements remains. Non-union agreements are still delivering a wage increase of 0.4 percentage points less than their union counterparts (4.3% and 3.9% respectively).

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Union</th>
<th>Non-union</th>
<th>Public Sector</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Annual % Wage Increase</td>
<td>4.3</td>
<td>3.7</td>
<td>3.9</td>
<td>4.3</td>
</tr>
</tbody>
</table>

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

**high wage outcomes in December quarter agreements**

An examination of December quarter agreements that have produced high average annual wage increases has revealed that various wage increases were given in return for the introduction of new measures or changes at the workplace. These mainly focused around salary packaging arrangements and more flexible hours of work. Performance and productivity related increases were still being used. Although at risk, such wage increases are an attempt to promote extra effort through extra rewards. Pattern agreements were also still evident amongst the high wage increase agreements, particularly in the electrical services sector. Table 1.1 highlights these features.
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>
| Electricity Supply (AAWI 11.5%) | • 11.5% paid over one period to those employees who accept the salary package offer. Salary sacrifice also available.  
• The increase incorporates the Current Salary plus a Flexibility Component plus Annualised Leave Loading  
• The Flexibility Component is provided in recognition of flexible working hours/arrangements and in place of all allowances/penalties including overtime  
• An hours/effort payment is also available in recognition of extra performance for significant hours being worked beyond those anticipated by the salary package. Additional hours over 160 in a four week period are also paid at 175% for each hour worked.  
• Annual performance reviews conducted and employee’s training needs for the next year identified.  
• 6 weeks paid maternity leave also given. |
| Vehicle Industry (AAWI 7.44%) | • 15% wage increase paid over three periods of 5%.  
• 4% is linked to possible increases in the Consumer Price Index rate paid over two periods. |
| Vehicle Industry (AAWI 7.44%) | • 9% guaranteed wage increase paid over two periods. Where a national wage cases increases the wage rates, the greater percentage shall apply.  
• A performance bonus of up to 6.5% obtained based on after sales bottom line outcome.  
• Twice yearly performance reviews conducted. Employees wage levels may also be adjusted if a performance/productivity score at a higher level is sustained for two performance reviews.  
• Attendance incentive scheme used.  
• Annual leave incentive scheme – higher leave loading paid for longer serving employees.  
• Hours of work may be changed by management according to customer requirements. |
| Plumbing Industry (AAWI 6.15%) | • 13.6 guaranteed wage increase paid over four periods of 5.6%, 2%, 3% and 3%.  
• Any Safety Net adjustments or other increases shall therefore be absorbed.  
• Salary packaging arrangements to be introduced during the life of the agreement.  
• Working party to be established to develop an annual work plan. |
| Education Sector (AAWI 6.28%) | • 12.3% increase paid over four periods.  
• Agreement may be reached between parties to an alternate method of arranging ordinary hours such as how hours are to be averaged in a work cycle, duration of work cycle, start and finish times, substitution and taking of RDOs.  
• Portable sick leave provided (industry standard).  
• This agreement is one of many similar agreements that covers the plumbing industry. |
| Mining Industry (AAWI 6%) | • 10% paid over two periods.  
• A Skills Enhancement Program provides opportunity for employees to progress to a higher skill level subject to operational requirements with a commensurate increase in their rate of pay.  
• Hours of work structured to achieve maximum continuity of operations. |

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 outcomes in currently operating agreements

Based on agreements that have yet to expire, the average annual percentage wage increase granted was 3.7%. Figure 1.3 below clearly shows that the construction industry is the leader of high wage increases (producing 4.6%), followed by metal manufacturing (4.1%) and electricity gas and water (4.1%). The service based sectors (such as community services and recreational and personal services) continue to provide the lowest average annual wage outcomes for workers.

Figure 1.3: average annual wage increases (aawi) in current operative agreements, by industry

Source: ADAM Database, 2001, ACIRRT, University of Sydney.
Note: Current agreements include all agreements which have not reached their stated nominal expiry date as at end December, 2000
wage dispersion

Research has shown that industry factors have been shown to have a significant impact on wage outcomes. This is also partly due to the level of union involvement. The range of wage outcomes given at the industry level is clearly evident in Table 1.2 below. More importantly, the table shows how differences within industries are just as apparent. For example, the metal manufacturing industry contains agreements with an average annual wage increase of 14.1% while at the same time containing an agreement that delivered 0.7%. This is a difference (or range) of 13.4 percentage points, which also is the largest difference in wage outcomes of all industries. The industry currently with the smallest range is the food beverage and tobacco manufacturing industry (5.8%) followed by public administration (8.2%).

Table 1.2: high and low average annual wage increases (aawi) in current operative agreements, by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Highest AAWI (%)</th>
<th>Lowest AAWI (%)</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>11.0</td>
<td>1.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Construction</td>
<td>10.5</td>
<td>0.8</td>
<td>9.7</td>
</tr>
<tr>
<td>Food, beverage &amp; tobacco manufacturing</td>
<td>6.1</td>
<td>0.3</td>
<td>5.8</td>
</tr>
<tr>
<td>Metal manufacturing</td>
<td>14.1</td>
<td>0.7</td>
<td>13.4</td>
</tr>
<tr>
<td>Other manufacturing</td>
<td>10.6</td>
<td>0.7</td>
<td>9.9</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>11.5</td>
<td>1.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Wholesale/retail trade</td>
<td>9.8</td>
<td>1.0</td>
<td>8.8</td>
</tr>
<tr>
<td>Transport/storage</td>
<td>11.3</td>
<td>0.8</td>
<td>10.5</td>
</tr>
<tr>
<td>Financial services</td>
<td>9.0</td>
<td>0.7</td>
<td>8.3</td>
</tr>
<tr>
<td>Public administration</td>
<td>8.7</td>
<td>0.5</td>
<td>8.2</td>
</tr>
<tr>
<td>Community services</td>
<td>10.2</td>
<td>0.5</td>
<td>9.7</td>
</tr>
<tr>
<td>Recreational &amp; personal services</td>
<td>9.0</td>
<td>0.5</td>
<td>8.5</td>
</tr>
</tbody>
</table>

Source: ADAM Database, 2001, ACIRRT, University of Sydney.
Note: Current agreements include all agreements which have not reached their stated nominal expiry date as at end December, 2000.
special issue – scope of collective and individual bargaining in Australia

This issue of the *ADAM Report* provides an overview of the nature and scope of bargaining in Australia, both within the collective enterprise agreements stream and individual agreements stream. Table 1.3 below shows that a total of 46,956 collective agreements have been registered in Australia as at the end of September 2000. Of these, the majority (32,010) came from the federal sphere, representing 79% of all award based employees in that jurisdiction. It is important to note that these figures are cumulative and numerous enterprise agreements have since expired and replaced by a new generation of agreements. Organisations can also register multiple agreements covering workers from different parts of the company’s operations. All such agreements are included in these calculations.

Table 1.3: number of registered collective agreements and employees covered, by jurisdiction

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Number of Formalised Agreements</th>
<th>% of Award-Based Employees Covered for that Jurisdiction (%)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>5,130 10,100 15,015 27,997 32,010</td>
<td>58 64 70 75 79</td>
</tr>
<tr>
<td>NSW</td>
<td>1,570 1,776 N/A^ 2,201^ 2,635</td>
<td>29 31 N/A^ 36 46</td>
</tr>
<tr>
<td>QLD</td>
<td>667 1,438 2,148 3,372 3,761</td>
<td>30 39 45 47 56</td>
</tr>
<tr>
<td>SA</td>
<td>255 461 600 1,005^ 1,293</td>
<td>22 33 40 65 42</td>
</tr>
<tr>
<td>WA(a)</td>
<td>583 1,130 1,710 4,743 5,453</td>
<td>15 29 36 73^^ 80^^</td>
</tr>
<tr>
<td>Tasmania(b)</td>
<td>705 894 1,148 1,604^ 1,804</td>
<td>5 6 N/A 64^^ 69^^</td>
</tr>
</tbody>
</table>


Notes: Figures are for collective union and non-union certified agreements only which incorporate expired and currently registered enterprise agreements. AWAs not included.
^ Figures as at end June 1999
^^ Based on data calculated by the Department of Employment Workplace Relations and Small Business
* Figures not available at time of printing
* This figure represents the proportion of employees covered by agreements who are eligible to be covered by awards in each jurisdiction (estimates only)
(a) Since 1999, this figure is a composite of s.41 enterprise agreements available under the *Industrial Relations Act 1979* (WA) and s.30 and s.40 individual and collective workplace agreements available under the *Workplace Agreements Act 1993* (WA). Separation of enterprise agreements from the individual and collective workplace agreements is not possible.
(b) This figure is a composite of s.55 industrial agreements and Part IVA enterprise agreements available under the *Industrial Relations Act 1984* (TAS).
A large proportion (80%) of award based employees in Western Australia are now covered by some form of collective or individual agreement.\(^1\) The Tasmanian jurisdiction represents the next largest proportion of award based employees covered by formalised collective agreements (69%), followed by Queensland (56%), NSW (46%) and South Australia (42%). The lower take up of collective bargaining in South Australia could be partly explained by the high number of small business operations in the state. Past statistics have shown that such small workplaces are more than likely to remain under the award system.

As at 30 September 2000, 129,565 AWAs were approved covering 2,551 employers. Over 2,864 employers (covering 155,158 employees) have used AWAs available under the federal *Workplace Relations Act 1996* since February 2001, representing approximately 1.6% of the total Australian workforce. Being available since 1993, the number of workplace agreements under the Western Australian jurisdiction is more than double that of the federal jurisdiction with a total of 291,529 workplace agreements having been formalised.\(^2\) Workplace agreements in the Queensland jurisdiction have not been as widespread as other jurisdictions, possibly the result of the introduction of more stringent approval requirements under the new legislation. The details are shown in Table 1.4.

### Table 1.4: Scope of formalised individual agreements in Australia, by jurisdiction

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Total No. of Workplace Agreements Approved</th>
<th>No. of Employers Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal – AWAs</td>
<td>129,565</td>
<td>2,551</td>
</tr>
<tr>
<td></td>
<td>155,158*</td>
<td>2,864*</td>
</tr>
<tr>
<td>WA (Individual &amp; Collective)</td>
<td>291,529</td>
<td>N/A</td>
</tr>
<tr>
<td>s.30 Workplace Agreements</td>
<td>291,235</td>
<td>N/A</td>
</tr>
<tr>
<td>s.40 Workplace Agreements</td>
<td>294</td>
<td>N/A</td>
</tr>
<tr>
<td>QLD – QWAs</td>
<td>2,952</td>
<td>579</td>
</tr>
</tbody>
</table>

Source: Relevant Government Department/Agency

Note: Figures as at end September 2000
* Figures as at end February 2001

\(^1\) However, exact proportions between the enterprise agreements stream and the workplace agreements stream (collective and individual) in Western Australia are not known due to restrictions in data collection methods in that jurisdiction.

\(^2\) Information on employer coverage is not available for Western Australia.
Figure 1.4 depicts the wage movements for workers covered by different forms of regulation and shows that executive pay rises remain at the top, producing an average annual wage increase of 4.5% for 2000. Safety net adjustments through the award system fall at the other extreme, providing wage increases as low as 1.5% for 2000. Average annual wage increases in AWAs has been decreasing since their inception in 1997 and the rate appears to be moving in line with wage increases in non-union certified agreements. Workers covered by union certified agreements, however, have fared better than their non-union counterparts.

Figure 1.4: movements in wage increases in awards, collective agreements, AWAs and executive salaries, 1996-2000

Sources:
1) ACIRRT, 2001, ADAM Database, University of Sydney, unpublished data (revised figures).
2) ABS, Award Rates of Pay Index, Cat. no. 6312.0
3) Reserve Bank of Australia, 1996-2000, Semi-Annual Statement on Monetary Policy, Sydney, various issues
comparison of wage trends in AWAs and certified agreements

ACIRRT’s ADAM Database currently holds information on a sample of 890 of the 2864 AWAs, representing just under one third (31%) of all approved AWAs to date. An analysis of wage outcomes of the AWAs and collective agreements on the ADAM Database that are currently in operation, shows that AWAs deliver significantly lower wage increases than union collective agreements and also less than non-union collective agreements (2.5%, 3.9% and 3.1% respectively). Past issues of the ADAM Report have observed that wage outcomes in AWAs have been on par with non-union collective agreements, erring on a difference of approximately 0.2 percentage points. Observing trends by sector, Table 1.6 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 deliver higher wage outcomes than public sector agreements.

These trends in AWAs, coupled with the fact that a large proportion of AWAs tend not to provide for a wage increase during the life of the agreements and are also more likely to run for a longer period, pose serious implications on the weekly earnings of these workers.3

Table 1.6: aawi in currently operating agreements, by agreement type and union involvement*

<table>
<thead>
<tr>
<th></th>
<th>AAWI (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Union Agreements</td>
</tr>
<tr>
<td></td>
<td>(n=1334)</td>
</tr>
<tr>
<td>All Agreements</td>
<td>3.9</td>
</tr>
<tr>
<td>Public Sector</td>
<td>3.4</td>
</tr>
<tr>
<td>Private Sector</td>
<td>4.0</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 December, 2000. 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.

The ADAM Database currently has information on 8411 registered enterprise agreements from the Federal, New South Wales, Queensland, South Australian and Western Australian jurisdictions. The ADAM Database also holds information on federal Australian Workplace Agreements covering 890 employers.

For further details refer to the December 2000 issue of the ADAM Report (Issue No. 27).
innovative clauses

This edition of the ADAM Report takes a further look at innovative provisions in enterprise agreements and Australian Workplace Agreements (AWAs).

skills based remuneration

Over recent years linking workers’ pay on skill or competence has become an area of focus in enterprise agreements. The following agreements are examples of the shift towards competency/skills based pay. The first agreement has devised a payment scheme that rewards trainees and apprentices according to their competencies and skills, rather than age. The public sector agreement rewards outstanding performance by individual workers through progression between points of their classification level, before their annual increment is due. Those already at the top of their level are rewarded with a performance allowance.

skills based pay for trainees and apprentices pay

TIMBER INDUSTRY

“…7.4.1 Age Discrimination
In recognition of a competency based approach to skills and work and consistent with Federal legislation that it is illegal to discriminate on the basis of age, it is agreed that all employees will get the full adult rate under this agreement for the level of work performed.

7.4.2 Trainees and Adult Apprentices
The parties accept the principle that employees should be paid out on the basis of skill performed in the workplace. It is recognised that trainees and adult apprentices while learning new skills should be on a reduced rate of pay. The parties will reach agreement on a wage structure for persons employed as trainees and adult apprentices. The wage structure will be based on the adult apprentice or trainee being paid at one level lower than a fully competent employee would be paid for exercising the same skills in the skill grade structure while the adult apprentice or trainee are learning and developing particular skills. These wages will vary depending on the skills being learnt but will gradually increase over time as higher skill levels are gained.”

performance allowance

PUBLIC SECTOR

“22. Annual Increments Performance Management
…In cases of outstanding individual performance and competence employees may be progressed to their next incremental point of classification level within a period less than twelve months subject to the approval of the General Manager."
Level 1 Employees: subject to the approval of the General Manager, any level 1 employee who has reached the top increment of the level and subsequently meets the necessary criteria (as identified in the Guidelines) may make application and may be granted a special performance allowance which equates to the difference between the top of increment of level 1 and the first increment of level 2.”

**incentive schemes**

Employers regularly seek new ways to motivate their employees. The following agreement is an innovative example of a performance incentive scheme which rewards workers for working harder. The scheme is based on reducing the number of ‘labour-hours’ needed to complete a specific job, thus reducing employer’s on costs. The savings as a result of increased labour productivity are then passed onto the employees as a bonus. The public sector agreement also offers employees a bonus based on performance. It is given to an individual or team of employees for work performed outside usual duties.

**productivity bonus**

**PLASTIC INDUSTRY**

“7.3.1 Labour Productivity Measurement
Labour productivity performance on every job will be measured by comparing labour-hours applied per unit of product against the agreed labour estimate. Labour estimates are developed and agreed by the project managers in consultation with representatives from the appropriate production areas.

The bonus hours would normally be calculated on the life of each individual contract with the net hours at the end of the contract either being positive (under estimate) or negative (over estimate) based on the estimated hours…

These negative or over estimate hours need to be made up before positive hours are shown for that particular job (cumulative basis). This means that even though the contract has been divided up into 8 week segments for the benefit of the bonus payment it is still on a cumulative basis, which is how it would be over the life of the contract. Every 8 weeks the net bonus contribution for all jobs in each section will be calculated and the bonus paid if achieved.

The dollar value of the bonus is calculated from the total number of labour-hours saving in the section. This saving in labour-hours is multiplied by the average cost of a manhour to the company to arrive at a $ figure 33% of this figure is allocated for payment of a bonus (including any on costs eg Workers Compensation incurred as a result of paying the bonus).
If improvements in labour productivity are achieved via investment in capital equipment this will have the effect of reducing the estimate (by an agreed amount) for the jobs involved.

Labour hours booked at overtime rates will be factored upward to reflect the average extra cost of that labour when calculating actual hours booked to any job. The bonuses will be pooled and equally distributed to all factory employees (ie no pro-rata on basic hourly rate). Employees will receive a share of the bonus if they have been employed by [the Company] for a period 4 weeks in a (bonus period).

Employees not employed by the company at the date of payment of the productivity payment will not be included to the bonus payment. This process will be repeated over every subsequent 8 week period. Note that [Labour Hire] and casual workers are considered to be employees of the company for the purposes of assessing and issuing of bonuses. 

**Performance Bonus**

PUBLIC SECTOR

“14. Performance Bonus
The Employer may grant a Staff Member/s bonus payments up to 15% of the ordinary rate of pay for particular achievements, by either an individual or a team, which are one off in nature and do not form part of the on-going duties of the Staff Member/s.”

**Leave Arrangements**

Leave arrangements provide employees with paid time off from work and are commonly specified as standard entitlements given to all employees. The following agreements however exemplify a shift from standardisation to a more individual approach. The first agreement in the hospitality industry provides employees with leave loading according to their level of responsibility. Annual leave loading in the automotive industry agreement varies depending on years of service. The public sector agreement also recognises the need to develop a personalised approach by providing different paid leave entitlements to male and female workers in relation to the birth or adoption of a child. So, too, does the public sector agreement which gives an additional annual leave bonus in recognition of the remote location and costs of transport and fuel. The employment sector agreement provides paid time off during the Christmas close down in addition to designated public holidays.
payment of leave loading

HOSPITALITY INDUSTRY

“Annual Leave
Every full time or part-time employee covered by this agreement shall receive (4) weeks annual leave for every year by [The Company]. In addition to this the following employee levels shall receive leave loading for their annual leave in the following percentages

<table>
<thead>
<tr>
<th>Employee</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>17.5%</td>
</tr>
<tr>
<td>Supervisor Level 1</td>
<td>20.5%</td>
</tr>
<tr>
<td>Supervisor Level 2</td>
<td>21.5%</td>
</tr>
<tr>
<td>Senior Supervisor</td>
<td>23.5%</td>
</tr>
</tbody>
</table>

annual leave incentive

AUTOMOTIVE INDUSTRY

“Annual Leave Incentive
Additional Annual leave loading will be paid as an incentive based on years of service provided the annual leave is kept current and it is taken within 6 months of becoming entitled. This is to encourage employees to take their annual leave as it falls due and also to provide a benefit to long serving employees.

The annual leave loading incentive (which incorporates the 17.5% loading) will be given on the following basis:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 years service</td>
<td>17.5%</td>
</tr>
<tr>
<td>2 years service</td>
<td>25.0%</td>
</tr>
<tr>
<td>3 years service</td>
<td>30.0%</td>
</tr>
<tr>
<td>4 years &amp; over</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

The annual leave entitlement must be taken within 6 months from it becoming due ie. from the anniversary date, otherwise the additional incentive loading is lost and the standard 17.5% applies.

....

If operation requirements do not allow an employee to clear his/her annual leave within the specified period, there will be no loss of entitlements. (There must be prior consent from the Company).”
**paid parental leave**

PUBLIC SECTOR

“Basic entitlement

After twelve months continuous service, parents are entitled to a combined total of 52 weeks paid and unpaid parental leave on a shared basis in relation to the birth or adoption of their child. For females, maternity leave incorporating a 12 week paid component may be taken and for males, paternity leave incorporating a 1 week paid component may be taken. Adoption leave incorporating a 6 week paid component may be taken in the case of adoption.

Parental leave is to be available to only one parent at a time, except that both parents may simultaneously access the leave in the following circumstances:

- for maternity and paternity leave, an unbroken period of one week at the time of the birth of the child;

- for adoption leave, an unbroken period of up to three weeks at the time of placement of the child.”

**annual leave bonus**

PUBLIC SECTOR

“b) A new annual leave bonus shall be paid to employees in recognition of the remote location of the Shire and the high cost of transport and fuel in the region. The bonus of $1500 per year will be paid when an employee takes annual leave and will be prorated if partial leave is taken.”

**additional leave**

EMPLOYMENT SECTOR

“39. Christmas Closedown Period

In addition to the public holidays designated in Clause 38, the employer shall grant paid leave, without deduction from annual leave or personal leave credits, for the remaining working days between Christmas and New Year, to be known as the (Christmas closedown period). Such leave shall only be granted where the client is agreeable and operational requirements can still be met. If the client is not agreeable to a Christmas closedown period or operational requirements mean that the place of business must be staffed, the employer will direct a minimum operational level of employees to work during the Christmas closedown period and will grant those employees time off in lieu. Such time off in lieu will be at ordinary time and must be taken no later than 30 April.”
**flexible shift work arrangements**

The following selection of shift work arrangements demonstrate the way in which employees are compensated for their increased flexibility. The innovative remuneration packages are in recognition of additional shifts being worked. The mining industry agreement is particularly innovative as the total payment for changing shifts varies depending on the number of occasions required to do so. The security service agreement rewards workers who make themselves voluntarily available to work extra shifts. The hospitality industry agreement looks at the process of allocating shifts. It provides a comprehensive system for determining which employees will work permanent shifts and which will work more flexible hours, based on a list of criteria and relative scores/points.

**shift work**

**MINING INDUSTRY**

“13.4 Change of Shift

13.4.1 An employee required to change shift for at least three consecutive working days shall be paid overtime rates for the first shift so worked and thereafter in accordance with sub clause 13.1 Rates of Pay for the other shifts (ie. normal base pay).

13.4.2 An employee required to change shift for less than three consecutive working days will be paid overtime for such shifts worked.

13.4.3 No payment shall apply if the employee has received five calendar days' notice of a requirement to change shift.

13.4.4 The above payment provisions do not apply if an employee changes shift voluntarily.”

**voluntary shifts**

**SECURITY INDUSTRY**

“Voluntary Extra Shifts

An Employee willing to work an extra shift will indicate their willingness to work such shift by signing a weekly register kept by the employer. Extra shifts so worked will be paid at the ordinary casual award rate of pay for the relevant classification or 19% in addition to the aggregate rate, whichever is the greater.”
shift allocation

HOSPITALITY INDUSTRY

“21.2 Permanent Shifts

...  

21.3 Eligibility to Work Permanent Shifts

It is understood that not all employees will receive permanent shifts. [The Company] and the union accept that a fair and transparent system of determining which employees will work permanent shifts needs to be maintained. To that end, the following procedure will continue to be applied in determining eligibility to work permanent shifts:

The eligibility of each application will be considered using the following points system:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Number of Points</th>
<th>Explanation of Criteria</th>
</tr>
</thead>
</table>
| Family responsibilities and/or Medical        | 8 points         | • Caring for dependent child or sick relative  
| requirements                                   |                  | • Difficulty in working shift work                                                     |
| Study requirements                            | 5 points         | • Study at an accredited institution                                                   |
| Travel Arrangements                           | 2 points         | • Participating in car pooling arrangement 
|                                               |                  | • Travel in excess of 90 minutes on way by usual means of transport                   |
| Length of Service                             |                  | • With [the Company]                                                                   |
| 6-12 months service                           | 4 points         | • Appraisal in last 12 months 
| 1 - 2 years service                           | 6 points         | • Points dependent on rating overall of appraisal. If no appraisal in previous 12 months applicants receives 4 points |
| 2 - 3 years service                           | 8 points         |                                                                                       |
| 3 - 4 years service                           | 12 points        |                                                                                       |
| Over 4 years service                          | 14 points        |                                                                                       |
| Work Performance                              |                  | • Appraisal in last 12 months 
| Unsatisfactory                                | 0 points         | • Points dependent on rating overall of appraisal. If no appraisal in previous 12 months applicants receives 4 points |
| Needs Development                             | 1 points         |                                                                                       |
| Achieves Expectations                         | 4 points         |                                                                                       |
| Exceeds Expectations                          | 6 points         |                                                                                       |
| Outstanding                                   | 8 points         |                                                                                       |

Unauthorised absence                           | -2 points        | (Sick leave accompanied by a medical certification is not included, nor is 3 single days absence in a year where no certificate is provided) 
| (points deducted if occurred in previous 6 months only) |                  | • No show only if in previous 6 months |

Upon receipt of each application, [the Company] shall rank each application according to the number of points attained, from the highest number of points to the lowest number of points. [The Company] may require reasonable documentation in
order to assess each application. Where a dispute exists the matter will be considered by the National Secretary or nominee and [the Company] Human Resources General Manager, or nominee. In the absence of agreement the matter may be referred to the AIRC. The parties will accept the recommendation of the AIRC.

Once each application is assessed the ranking shall be recorded in the Permanent Shift Register. The register shall also record the preferred shift and start time of the employee. Employees and or a union representative will be allowed to review the register, upon reasonable notification.

Where two or more applications receive the same number of points their ranking shall be determined by their respective lengths of service.

[The Company] shall offer employees permanent shifts according to their ranking, in the order the employee’s name appears on the register. The ranking of employees on the register, as at the commencement of this agreement, shall be recognised under this agreement.

Employees may apply or reapply if circumstances change at any time for permanent shifts, and will be ranked and their name placed in the register according to the number of points received.

All employees not initially successful in their application for permanent shifts shall be placed on the register and upon each vacancy occurring will be offered a permanent shift (according to their ranking) in the order their name appears on the register.”

**employee assistance schemes**

Employee assistance schemes are seldom a feature in enterprise agreements and when included are dealt with briefly. The following mining industry agreement provides an example of a bonus payment used to pay for counselling or vocational training. The public sector agreement includes paid time off to attend drug and alcohol rehabilitation.
**bonus payment**

**MINING INDUSTRY**

“Employees who are made redundant will be eligible for appropriate employment counselling and vocational training through recognised higher education institutions such as TAFE to a total value of $750.00 per employee to cover fees and text books only, provided the counselling and vocational training clearly increases the employees prospects of obtaining suitable employment. The employee may take up this offer at any time within twelve months of their date of termination. Payment for employment counselling and vocational training will be made directly to the institution providing the service under normal [Company] payment terms upon presentation of the invoice.”

**rehabilitation leave**

**PUBLIC SECTOR**

“31. Alcohol and drug related leave
The employer may grant the employee paid leave to undertake an approved rehabilitation program if he/she is of the opinion that the misuse of alcohol or other drugs by an employee is adversely affecting his/her work performance, and an authorised medical practitioner has certified that the employee:

- Is in need of assistance because of his/her misuse of alcohol or other drugs
- Is a suitable person to undergo an approved rehabilitation program….”

**communication mechanisms**

Communication and consultation are relatively common features in many enterprise agreements. In the following two agreements, a more pro-active approach to communication is taken. The mining industry agreement gives a detailed description of union involvement in the negotiation of business planning sessions. The employment sector agreement is also innovative because it provides employees with an avenue for sharing information, ideas and suggestions affecting them.

**role of the union**

**MINING INDUSTRY**

“Communication with AWU
It is agreed that:

a) An AWU state official will have the opportunity to participate in business planning sessions at six monthly intervals in which the Company’s Management will discuss the current business and operating environment;

b) There will be discussions between the Company and the AWU prior to annual salary reviews including an assessment of salaries in the metalliferous hard rock mining industry. Input from the AWU in this area will be invited.”
c) The Company will provide to the AWU upon request details of the criteria used by it in assessing individual, team and business performance that is to be used in setting remuneration levels;
d) The [Company] Problem Solving Procedure will incorporate a provision permitting an employee who wishes to do so to request the AWU to assist in the resolution of the problem.”

**participative work practices**

**EMPLOYMENT SECTOR**

“12. Participative Work Practices

The employer is committed to consulting with employees about workplace matters affecting them and will hold regular meetings with employees to provide an avenue for information sharing and an opportunity to contribute ideas and suggestions about matters affecting them.”

**other innovations**

The following two agreements provide innovations in other areas. The hospitality industry agreement provides a comprehensive example of the negotiations involved when an enterprise wishes to use contract labour. The insurance agreement is an innovative example of an enterprise providing paid training and promotional opportunities to its part-time employees on the same basis as its full time employees. This same agreement also provides a career management scheme which is used to encourage and support employees self development.

**outsourcing**

**HOSPITALITY INDUSTRY**

“52. Contracting Out of Work

[The Company] is committed to wherever possible conducting its operations via directly employed labour. Where it is anticipated some or any of its operations will be outsourced, or supplemented on a regular basis by other than direct employees, [the Company] shall advise and, where sought by the union, consult with the [union] prior to a decision being made.

Where [the Company] decides after consultation with the [union] to outsource any of its operations currently conducted by directly employed labour [the Company] shall ensure that such contracted employees shall receive wages and conditions no less than set down in this agreement.

Where [the Company] after consultation and advice to the [union] decide to supplement contract labour along side directly employed labour employed to carry out
the same or similar duties [the Company] shall ensure that the contract employees shall receive wages no less than those set down in this agreement.

Where [the Company] and the union are unable to reach agreement on the use of or the appropriate wages and conditions for contract employees either party shall deal with the matter in terms of the disputes and grievance procedure set out in clause 9 of this agreement. The parties agree to accept any recommendation of the AIRC.”

**promotions**

**INSURANCE INDUSTRY**

“9.9 Promotional opportunities
Part-time employees are entitled to equal access to all relevant training and promotional opportunities. Every effort will be made to schedule training and other such activities during normal part-time pattern of hours. On occasion, however it may be necessary to attend such training and other sessions outside normal patterns of hours.

Ordinary time is paid for additional hours worked up to the ordinary hours per day of an equivalent full-time employee.

... 

13.3 Career Management Process
[The Company] is an equal opportunity employer who encourages the development and advancement of its employees. Vehicle Inspections reaffirms and supports this commitment though the Career Management Process. All managers have a responsibility to assist employees to develop and implement their career paths.

Voluntary Process
The Career Management Process developed by [the Company] is a voluntary process. Employees may initiate it at any time or it may commence as a result of the performance plan.

Through the Career Management Process [the Company] has provided an appropriate avenue for self-development that encourages employees to focus on their career beyond their immediate role.”
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 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.

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 March 2001, the ADAM Database has information on 8411 registered enterprise (collective) agreements from the Federal and State jurisdictions as follows:

Federal (3979), New South Wales (1502), Queensland (1503), South Australian (505) and Western Australian (922). The ADAM Database also holds information on federal Australian Workplace Agreements covering 890 employers (of the current total of 2864 employers with AWAs).
report written by
Betty Arsovska and Nicola Parsonage. Coding and data entry by Nicola Parsonage, Troy Sarina and Kate Leonard.

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 8,000 federal and state enterprise agreements and over 800 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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