

Agreements Database And Monitor REPORT

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wage trends

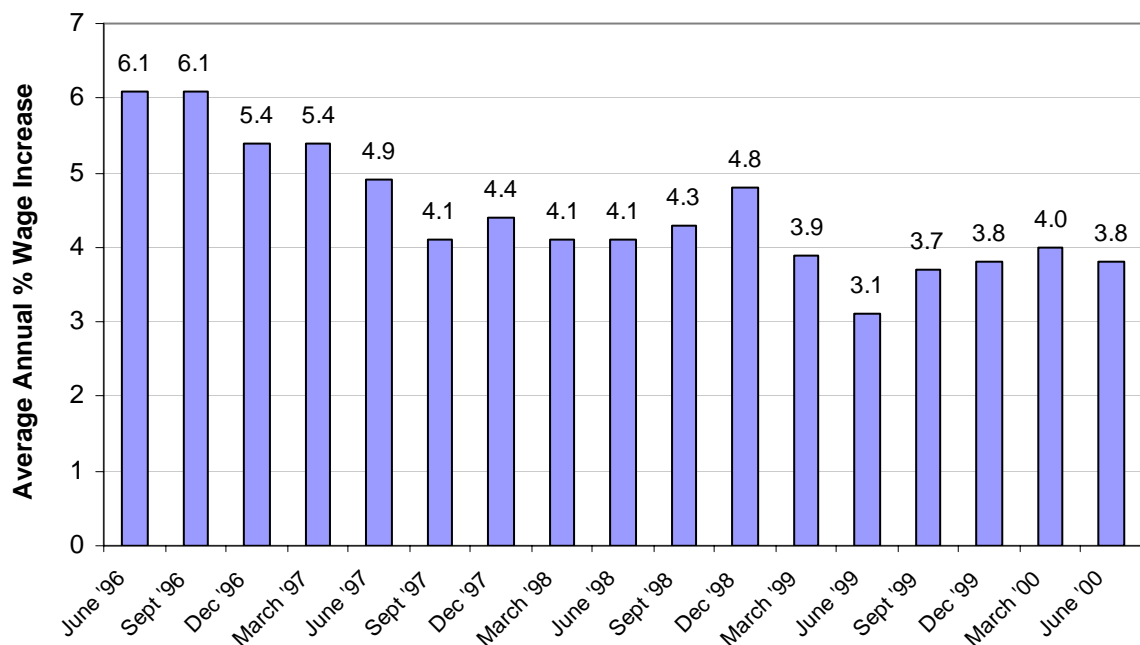
wage increases in June 2000 quarter certified agreements

The average annual wage increase for certified enterprise agreements registered in the June 2000 quarter was 3.8% (per agreement), slightly down from 4% in the March 2000 quarter.

quarterly wage movements in enterprise agreements

The June quarter figure indicates that wage outcomes have stabilised since 1999 with no indication of a wages breakout. Developments in the upcoming September quarter, however, may show different signs since they will mark the first round of agreements from Campaign 2000. On average wage outcomes have been hovering just below the four percentage mark. Figure 1.1 depicts the quarterly movements in wage outcomes since the peak period of June 1996.

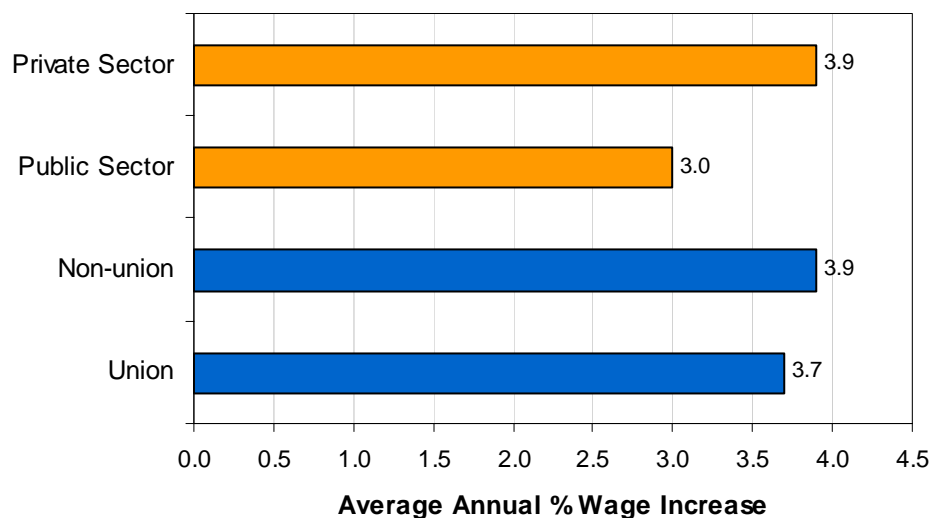
Figure 1.1: average annual percentage wage increases in enterprise agreements: quarterly figures, June 1996 – June 2000



Source: ADAM Database, 2000, ACIRRT, University of Sydney, September

The difference between public (3.0%) and private (3.9%) sector agreements in the June quarter has increased to 0.9% from 0.6% in the previous quarter (see Figure 1.2 below). For the first time, non-union agreements have delivered higher wage increases than union agreements in the June quarter (3.7% and 3.9% respectively).

Figure 1.2: June Quarter Average Annual Percentage Wage Increase, by Public/Private Sector and Union/Non-union



Source: ADAM Database, 2000, ACIRRT, University of Sydney.

high wage outcomes in June quarter agreements

An examination of June quarter agreements that have produced 'above average' wage increases has revealed that linking demonstrated performance to wage increases is a common occurrence in these agreements. Costs of living and labour market competitiveness are also used as factors to determine quantum increases. Table 1.1 below outlines the main aspects of the high wage agreements.

Table 1.1: key features of high wage increases in June quarter enterprise agreements

Industry (AAWI)	Key Provisions
Metal Manufacturing (AAWI 14.12%)	<ul style="list-style-type: none"> 7% guaranteed - 4% on certification and 3% 12 months later. This wage increase encompasses leading hand payments and shift worker loadings. Up to a further 6.5% of gross earnings is payable to each employee per period of the agreement (ie. annually). The payment is linked to an individual performance appraisal and assessed using individual and group indicators such as absenteeism, waste levels, safety performance and contributing to communication mechanisms. A 5.5% increase is considered an achievable target. A good review can potentially increase an employee's earnings by a further 13% in addition to the base 7% wage increase.
Education (AAWI 9%)	<ul style="list-style-type: none"> 18% wage increase paid over 4 periods. The remuneration package is all encompassing of wages, allowances and any other forms of payment 'whether in cash or in kind', other than superannuation benefits. While the wage increases are substantially higher than most enterprise agreements, wage levels under this agreement start at the award rate.
Insurance Services (AAWI 9%)	<ul style="list-style-type: none"> Following endorsement of the twelve month agreement by employees, a 3% wage increase is provided. Employees may be further granted an increase of up to 6%, based on the assessment of individual and team performances. The first 2% is linked to individual performance and the remaining 4% is linked to team performance. This performance payment may be accessed in varying forms according to employee preference for taxation purposes – (i) lump sum payment into weekly salary, (ii) contribution to superannuation, (iii) offset against parking fees.
Bowling Clubs (AAWI 8.35%)	<ul style="list-style-type: none"> This enterprise agreement covers one Greenkeeper who is vital to the success of the bowling club's operations. The size of the wage increase encompasses projected rises in the cost of living over two years. The significantly high wage increase is given in light of the highly competitive nature of the labour market in South Australia for experienced Greenkeepers.
Construction and Electrical Contracting (AAWI 7.83%)	<ul style="list-style-type: none"> Wages are increased by 2% to account for the increases in the cost of living, followed by a further wage increase of 8% paid over two periods during the life of the agreement. Although there is no direct link between employee performance and wage increases, performance indicators are specified and performance bonuses are available at the employer's discretion. Upon consultation with the union and reaching agreement with the workforce, the employer may also directly link wages with a productivity scheme. In recognition of the higher cost of living in Sydney, this national agreement grants a 3.7% wage increase for employees living in Sydney.
Electricity Utility (AAWI 7.2%)	<ul style="list-style-type: none"> A 4% base wage increase is provided on the condition that employees and unions agree to the terms of this agreement prior to the transition of the organisation from public to private sector on the designated date. A further two increases of 4% each are available at six monthly intervals on the achievement of a score of 450 (or greater) out of 500 on the performance matrix. The matrix measures performance based on labour costs, overtime costs, materials costs, supplementary labour costs, absenteeism, lost time injuries and workplace inspection.

Source: ADAM Database, 2000, ACIRRT, June Quarter, University of Sydney.

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

wage dispersion

Differences in wage outcomes are common both between and within industries. However, an examination of agreements current at the end of the June 2000 quarter shows that the highest and lowest wage outcomes within each industry has largely remained the same since the previous quarter. Table 1.2 highlights the wage ranges for the major industry groups for currently operating agreements. The largest range was found in recreational and personal services (13.5%) and metal manufacturing (13.4%) while the lowest range was evident in the electricity gas and water industry (5.4%).

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

Industry	Highest AAWI (%)	Lowest AAWI (%)	Range
Mining	11.0	1.0	10.0
Construction	9.6	0.7	8.9
Food, Beverage & Tobacco Manufacturing	6.9	0.3	6.6
Metal Manufacturing	14.1	0.7	13.4
Other Manufacturing	10.6	0.6	10.0
Electricity, Gas & Water	7.2	1.8	5.4
Wholesale/Retail Trade	8.1	1.0	7.1
Transport/Storage	11.3	0.8	10.5
Financial Services	9.0	0.7	8.3
Public Administration	8.7	0.3	8.4
Community Services	12.2	0.5	11.7
Recreational & Personal Services	14.0	0.5	13.5

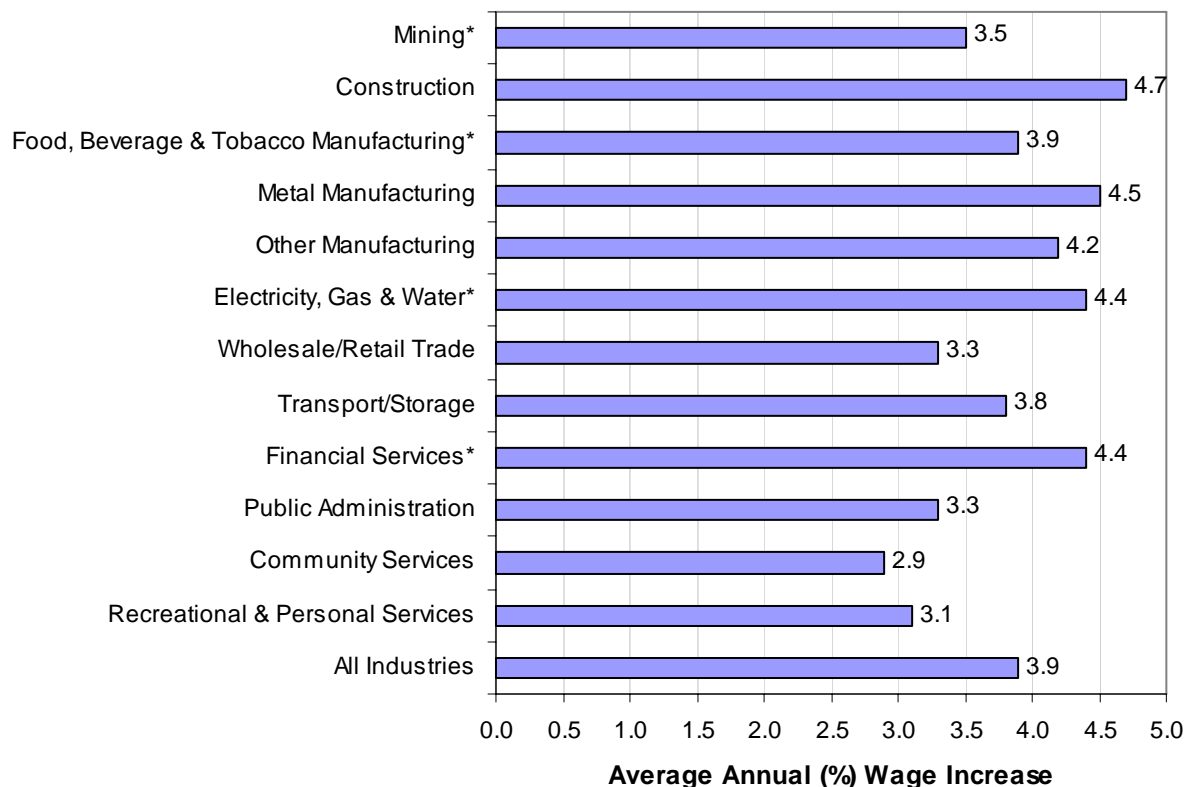
Source: ADAM Database, 2000, ACIRRT, University of Sydney.

Note: Current agreements include all agreements which have not reached their stated nominal expiry date as at end June, 2000

special issue – year 2000 update on wages

This issue of the *ADAM Report* examines developments in wages in the first and second quarters of 2000. Figure 1.3 depicts wage movements in 2000 by industry and shows that the ‘all industries’ average for the first two quarters of 2000 is 3.9%. The figures demonstrate that the construction industry (4.7%) has produced the highest average annual wage increase in 2000 followed by the metal manufacturing industry (4.5%), electricity gas and water (4.4%) and finance (4.4%). The community services sector has produced the lowest wage increases over the same period (2.9%) followed by the recreational and personal services industry (3.1%).

Figure 1.3: average annual wage increases in agreements, by industry, March and June quarters, 2000

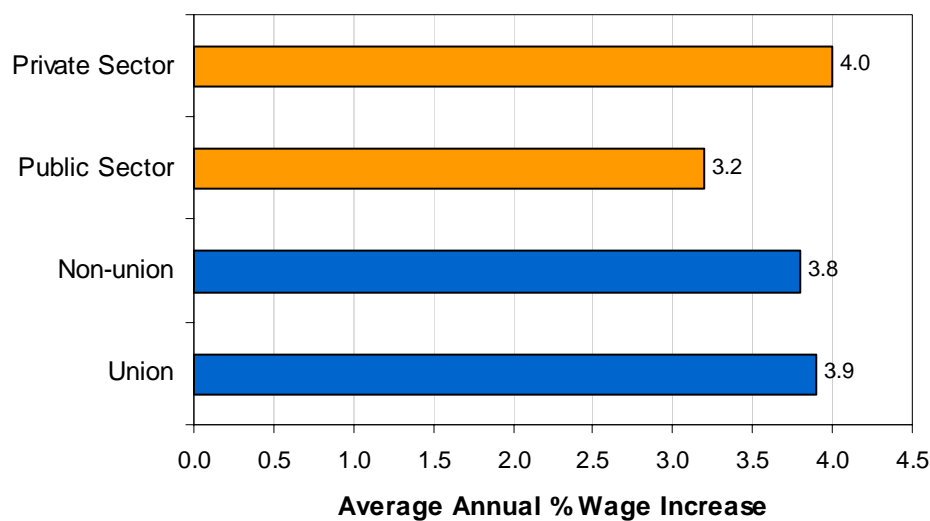


Source: ADAM Database, 2000, ACIRRT, University of Sydney.

Note: * Indicates sample size of agreements used to calculate AAWI is small. Caution must therefore be taken when examining these figures.

Figure 1.4 shows that the private sector continues to produce higher wage outcomes, a difference of 0.8 percentage points in 2000 agreements. This was also the case with union and non-union agreements, however the margin has narrowed significantly.

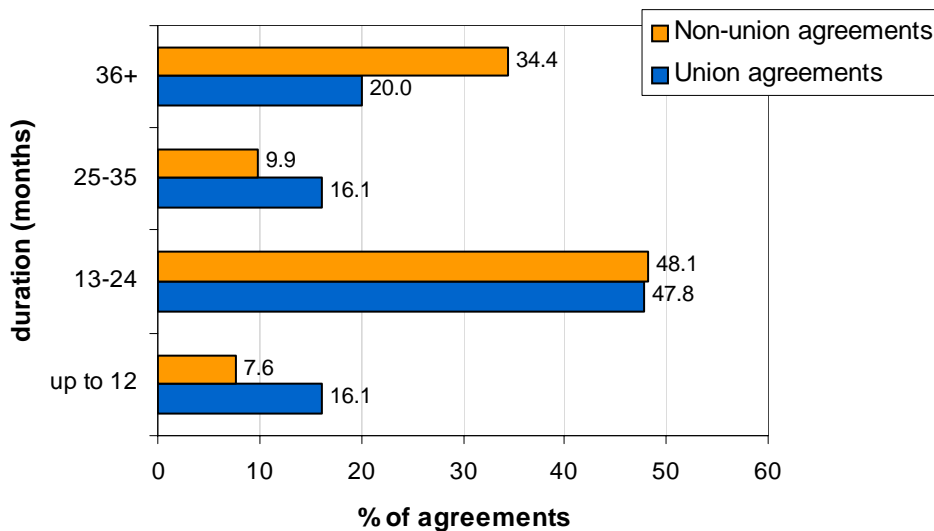
Figure 1.4: average annual wage increases in agreements, by public/private sector and union/non-union, 2000



Source: ADAM Database, 2000, ACIRRT, University of Sydney.

The most common term of agreements in 2000 is between 13-24 months, representing just under half of all agreements (refer to Figure 1.5). Over one-third of non-union agreements (34.4%) ran for 3 years or more, compared with one-fifth (20%) of union agreements. A larger proportion of union agreements ran for up to 1 year than non-union agreements (16.1% and 7.6% respectively).

Figure 1.5: duration of agreements, March and June quarters 2000



Source: ADAM Database, 2000, ACIRRT, University of Sydney.

developments in Federal AWAs & s.170LK non-union agreements

The use of AWAs continues to grow at a moderate pace covering a total of 2,332 employers and 188,281 employees (see Table 1.3 below).

Table 1.3: total number of federal AWAs approved

As at the end of (Qtr):	Total No. of AWAs Approved	No. of Employers Covered by Approved AWAs
June 2000	113,245	2,225
August 2000	118,281	2,332

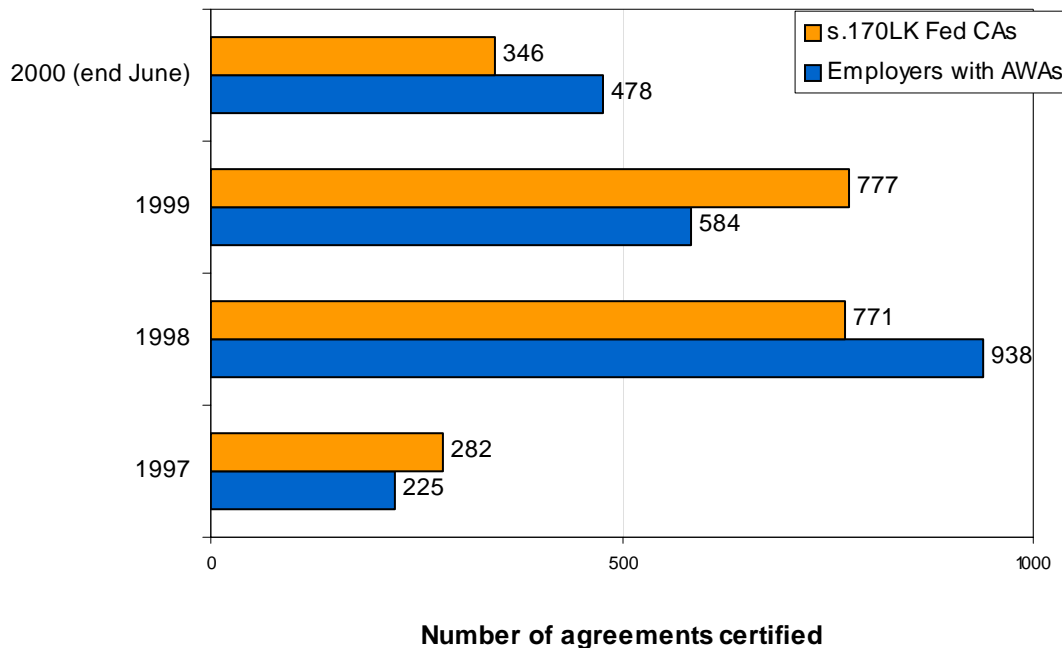
Source: Office of Employment Advocate, Monthly Releases, August 2000, cumulative figures

According to the recent report on enterprise bargaining by the federal Department of Employment, Workplace Relations and Small Business and the Office of Employment Advocate, collective agreement making directly between employers and employees (ie. s.170LK non-union agreements) has increased since 1997. Only 5% of the 5147 federal agreements certified in 1997 were non-union agreements, compared to 11% of the 7023 certified agreements for 1998 and 13% of the 6133 certified agreements for 1999.¹ A total of 2447 federal certified agreements have been certified as at the end of June 2000 to date. Of these, 14% are non-union agreements.

When comparing the rate of growth of employers using AWAs with employers using non-union federal certified agreements (s.170LK), AWAs are being sought by employers at the same rate as 'non-union' collective agreements. Figure 1.6 depicts the total number of employers with AWAs and the total number of federal certified agreements (non-union and all collective) that have been approved since the introduction of the *Workplace Relations Act 1996* (Cth). The figure shows that non-union collective agreements were more commonly used by employers than AWAs in 1997 and 1999. However, this trend was reversed in 1998 and 2000 (to date), a larger number of employers with AWAs being approved than non-union collective agreements.

¹ DEWRSB, 2000, *Agreement Making in Australia under the Workplace Relations Act: 1998 and 1999*, Commonwealth Government, Canberra.

Figure 1.6: Scope of AWAs and non-union certified agreements since the introduction of the *Workplace Relations Act 1996 (Cth)*, 1997-1999



Source: Office of Employment Advocate, Monthly Releases, August 2000, cumulative figures, and DEWRSB, 2000, *Agreement Making in Australia under the Workplace Relations Act: 1998 and 1999*, Commonwealth Government, Canberra.

comparison of wage trends in AWAs and certified agreements

ACIRRT's ADAM Database currently holds information on a sample of 693 of the 2332 AWAs, representing almost one third 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 collective union agreements are delivering higher wage increases than their non-union counterpart and AWAs (3.8%, 3.0% and 2.8% respectively). Table 1.4 shows that, within each agreement type, private sector agreements are producing higher wage increases than the public sector with the exception of AWAs.

Table 1.4: aawi in currently operating agreements, by agreement type and union involvement*

	AAWI (%)		
	Union Agreements (n=1306)	Non-union Agreements (n=352)	AWAs** (n=98)
All Agreements	3.8	3.0	2.8
Public Sector	3.4	2.4	3.1
Private Sector	3.9	3.0	2.6

Source: ADAM Database, 2000, 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 June, 2000

** 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.

Table 1.5 highlights the incidence of wage increases in agreement types using two main groups. First, those that provide for a quantifiable wage increase (ie. in percentage terms) and second, those that provide for any form of a wage increase. The second group includes agreements where wage increases are not predetermined or quantified in actual terms. Trends from the ADAM Database show that under a quarter (23.4%) of AWAs provide for quantifiable (or actual) wage increases. This has dropped from 27.6% of currently operating AWAs as at the end of the March quarter and compares with 65.7% of non-union collective agreements and 83% of union collective agreements.

Taking into consideration other less quantifiable types of wage increases, a larger proportion of AWAs (43.2%) provide for a wage increase during the life of the agreement. This is still significantly lower than collective agreements, where three-quarters of non-union agreements and 88.8% of union agreements provide for some form of wage increase.

Table 1.5: incidence of wage increases in currently operating agreements, by agreement type*

Provision	% of Agreements		
	Union Agreements (n=1574)	Non-union Agreements (n=536)	AWAs** (n=419)
Only percentage wage increase specified	83.0	65.7	23.4
Any form of wage increase specified (ie. as per CPI, NWCs, %, \$, linked to individual appraisals)	88.8	75.0	43.2

Source: ADAM Database, 2000, 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 June, 2000

** 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 7823 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 693 employers.

innovative clauses

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

family friendly provisions

Family friendly work arrangements, although not common place, are being used by employers to attract and retain workers with family responsibilities. The following agreements recognise the importance of retaining workers and the need to make workplaces more flexible for women during pregnancy. The public sector agreement provides an innovative example of flexible leave, used for medical appointments associated with pregnancy. This provision enables employees to balance both pregnancy and work responsibilities. The food manufacturing agreement also realises the importance of retaining employees by providing maternity leave for casuals who are a significant member of the workforce.

maternity leave

PUBLIC SECTOR

“62 STAFF WITH FAMILY RESPONSIBILITIES

62.1 In recognition of the special needs of employees with family responsibilities, the following enhanced arrangements will apply:

- subject to operational requirements, all employees will be entitled to access existing leave without pay provisions for up to two years for the above purposes. This leave excludes parental leave but may be taken in conjunction with parental and/or other leave.
- training will be provided as required, to assist parents returning to work after parental and family leave.

63 PREGNANCY LEAVE

63.1 The parties acknowledge the flexibility requirements of employees during their pregnancy in relation to medical appointments. In recognition of this, in addition to sick leave and maternity provisions set out in the Agreement, access will be provided to additional leave which will enable the employee to attend routine medical appointments associated with the pregnancy. This leave will be paid and will allow such employees to attend medical appointments during the normal course of the day without being absent for a full day. A supervisor may request proof of attendance.”

64 MATERNITY LEAVE

...

64.2 In order to provide for more flexible administration of maternity leave, an employee may elect to either:

- take her entitlement for the 12 week mandatory period of absence at full-pay; or
- take an additional 12 weeks on maternity leave without pay, and spread the payment for the 12 week period of required absence over the total period of absence over 24 weeks, at half pay. The additional leave beyond the mandatory 12 weeks provided in the legislation will not count as service for any purpose.”

maternity leave for casuals

FOOD MANUFACTURING

“6.1 Maternity Leave for Casuals

... casuals who are employed on a regular and systematic basis for a significant number of hours per week for a period of at least twelve (12) months and who have a reasonable expectation of continued employment will be entitled to maternity leave in accordance with the Family Leave Award.”

leave arrangements

Providing for flexibility in taking leave can potentially reduce absenteeism and allow for a more efficient use of leave entitlements. The public sector agreement below contains a comprehensive personal leave provision with an additional clause that provides the opportunity for additional leave to be accessed in exceptional circumstances. Non-permanent employees also have access to the pooled leave arrangement. The public sector and retail sector agreements are designed to cater for the needs of the workplace and the individual. The clauses show originality, allowing employees increased autonomy over their leave provisions.

personal leave

PUBLIC SECTOR

“39.1 The full-pay equivalent of accrued sick leave credits will be credited as personal leave credits. The rate of conversion from half-pay to full-pay will be two to one.

39.2 Eighteen days full-pay personal leave will be credited on the date of an employee's on-going engagement and thereafter each year on the anniversary of the employees engagement.

39.3 Personal leave granted will be deducted from credits on an "hour for hour" basis, with no salary variation.

39.4 For non-ongoing employees. Personal leave will be granted on a pro-rata basis after 44 days of service (or after 22 days of service for employees who are returned soldiers).

39.5 Paid personal leave shall be available to an employee when they are absent:

- (i) due to personal illness or injury, or
- (ii) for the purposes of caring for a member of their immediate family or household who is dependent on the care and support of the employee: or
- (iii) caring for a person for whom the employee has primary caring responsibility; or
- (iv) to observe religious or culturally significant days or events: or
- (v) as a result of exceptional or special circumstances, including moving house.

39.6 There is no cap on the amount of carer's leave that employees may access within the employees' credit. However it is only to be used for non-enduring situations.

...

39.8 Unused personal leave will accumulate, but cannot be paid out on separation. However as strategy to reduce absenteeism employees (excluding employees on secondment or temporary transfer from other agencies), may sell credits as follows:

- (i) full-pay credits in excess of 100 days excluding war service credits
- (ii) the decision to buy the leave is at the discretion of the Director-General
- (iii) a minimum of 20 days must be sold
- (iv) credits will be bought at the rate of 1/5 of a day's salary for each full day

39.9 When absent due to personal illness or injury, an employee may use personal leave accumulated in previous years in circumstances where their current year's leave has been exhausted.

39.10 The Director-General or delegate may allow an employee who absent due to personal illness or injury to anticipate one year's personal leave accrual where credits are exhausted.

...

ANNEX E - LEAVE - ADDITIONAL PROVISIONS

E.9 The Director-General may, in exceptional circumstances, grant employees additional personal leave on half-pay where paid personal leave credits have been exhausted.

...

E.13 The maximum continuous period of personal leave will be 78 weeks of which no more than 52 weeks may be paid personal leave.”

RETAIL INDUSTRY

“The employees agree to make their own provisions and arrangements for all leave other than Long Service Leave. This includes recreation leave, sick leave, bereavement leave, parental leave, etc.

The employer agrees to provide any requested continuous period of leave up to a maximum of 9 months. All employees are free to take leave at their discretion and without any penalty or detriment of their employment whatsoever. The employee agrees to provide at least 3 business days notice of any planned leave.

The employee agrees to take at least 10 business days (in total) of recreation leave each year. The business will normally be closed, with no employees rostered to work, from Christmas through to the end of the first week in the New Year.”

hours of work flexibility

In response to the need for organisational flexibility, working hours continue to be the key area used to meet this need. The selection of agreements below show the different types of flexible working arrangements designed to cater for an employer’s labour flexibility requirements without disadvantaging the employee. The first agreement provides an innovative alternative to seasonal/business work fluctuations. The clause aims to offer employees flexible remuneration and banking of hours providing a stable wage whilst demand is low. Reward for being flexible is also important, this is demonstrated in the veterinary agreement where employees receive a loading on the second half of their broken shift. Finally the insurance agreement achieves flexibility by providing employees with a job sharing arrangement where two employees share all of the duties and responsibilities of a permanent full-time position, thus not disadvantaging employees with family responsibilities. Importantly, the agreement also states that job share employees will be able to participate in employee development programs.

working hours

TRANSPORT INDUSTRY

“(a) Employees’ working hours will tend to average 40 hours each week over a 12 month period depending upon the seasonal demands of the business and the daily operational requirements of the business.

(b) (i). Any rostered hours worked in excess of the average 520 hours in any 13 week period will be banked in lieu and paid on an hour for hour basis in the following period at the all up rate as defined in clause 6.

(ii) At your request you may carry over any accumulated banked hours and cash them in on any week you are not rostered on, or when you leave our service.

(iii) Any hours worked in excess of 50 in any week can either at your choice be:

(a) held over as banked hours in lieu

(b) paid at the rate of 150% for the standard hourly rate for the first 15 hours then 200% thereafter.

(c) (i) By mutual agreement you may elect to work less than an average of 40 hours each week over a 12-month period.

(ii) In terms of our operational requirements, it will be our managerial prerogative, given reasonable notice, to alter the rosters to reflect our view of the current circumstances that may result in the reduction of your shifts to a lower average weekly level of hours.

(d) Swapping Hours

With our specific permission you may swap shifts, allocate your shift either temporarily or permanently or bid for any extra shifts that become available including on public holidays. Such extra shifts shall be treated in terms of clause 5(b), and be paid at the all up rate.

6. All Up Rate

Your remuneration package will offer you maximum choice by grossing up over a 12 month cycle all of your legislative financial entitlements of your contract of service. Unless otherwise stated this hourly rate ... will include components for holiday pay and loading, sick pay, public holiday and weekend penalty rates, meal money, travel allowances, special night allowance, redundancy, parental, bereavement and other such leaves and entitlements set out in the Motor Drivers etc Award Southern Division and the Clerical Employees Award State 1993 Southern Division.

Employees will be paid this hourly rate in accordance with the rosters but not including the statutory half hour break after five hours. This will be your full and only entitlement.”

broken shifts

VETERINARY SERVICE

“D.4.1 ‘Broken Shift’ means a shift where the break between the periods of work is at least 3 hours (including any meal break).

Where the employer requires an employee to work a broken shift, the employee must be paid an additional 10% of the ordinary hourly rate for the second period of work.”

job share

FINANCE/INSURANCE INDUSTRY

“2.1.6 Job sharing is voluntary and may only be undertaken with the prior agreement of the organisation.

Employees who choose to job share (collectively “Job Shares”, individual “Job Share Partner”) will continue to participate in Employee development programs such as performance appraisal, pay for performance and career development activities.”

remuneration

Employers in industries with a high concentration of casual employment constantly battle with maintaining staff levels and retaining employees over longer periods of time. This creates problems not only for the employer but also for workers as working arrangements are often disrupted. The following agreements provide a number of viable solutions to this problem by way of financial and in kind incentives. The retail industry agreement offers employees a profit sharing arrangement based on the amount of hours worked, encouraging employees to commit to the organisation. Similarly the timber industry agreement provides an incentive bonus payment to employees who remain with the employer until the end of their contract. In addition, the hospitality industry agreement rewards workers for good work, an incentive which is also designed to maintain moral and staff levels.

profit share

RETAIL INDUSTRY

“Profit Share Remuneration – (profit share of operating profit)

1. Any superannuation contributions over and above compulsory superannuation paid to [the Company’s] employees added to the operating profit before tax and adjustments.
2. Any business expenses of [the Company] not directly related to the core operations of [the Company] (ie. the marketing and distribution of craft materials) will be added to the operating profit before tax and adjustments. These might include, for example, stock broker fees for investments made by the [Company].
3. Any revenue from non-core operations of the [Company] will be subtracted from the operating profit before tax and adjustments. Such revenue might include, for example, bank interest and dividends from investments in public companies.

That part of the resulting "profit share operating profit" which exceeds 8% of total revenue of the [Company’s] core operations will be known as "Profit Share Funds".

Profit Share Funds will be allocated to all eligible employees in proportion to their gross salary paid during the financial year to which the Profit Share Funds rate. For any eligible employee, the formula used to calculate their profit share amount will be:

$$(employees\ gross\ salary / total\ gross\ salary\ of\ all\ eligible\ employees) \times profit\ share\ funds$$

Please note that any payment made to an Employee for paid long service leave (see below) is not included in the Employees gross salary for purposes of calculating the profit share amount.

If an eligible employee leaves for any reason (including being terminated or made redundant), and provided that employee has signed an agreement not to pursue claims against the [Company], the [Company] will calculate the profit share amount due to that employee using the formula above and send the payment to the address most recently advised by that employee.”

incentive bonus

TIMBER INDUSTRY

“2.9 Financial incentive:

- (a) Employees who remain working for the entire term of the contract or season as agreed to by the parties would receive an incentive payment of .05 cents per m³ of logs obtained.
- (b) An employee who started employment after the commencement of a season or contract, and remained until the end of the season or contract as agreed to by the parties would receive .05 cents per m³ of logs obtained during the period of his/her employment.
- (c) An employee who leaves before the end of the season or contract as agreed to by the parties, would forfeit all claims to any bonus payments.
- (d) An employee who is dismissed for misconduct during the course of the season or contract, as agreed to by the parties, would forfeit all claims to any bonus payments.
- (e) An employee who is forced to leave before the end of the season or contract, as agreed to by the parties, due to ill health or accident would receive .05 cents per m³ of logs obtained during the period of his/her employment.
- (f) All incentive bonus payments will be paid at the end of the season or contract, as agreed to by the parties.”

rewards

HOSPITALITY INDUSTRY

“18. Employees are eligible to participate in the reward program offered by the [organisation]. Every 6 months the [organisation] shall offer awards to it's employees (how many employees receive an award is at the club's discretion).

The reward program will take into consideration the employee's performance review.

AWARD	CRITERIA	PRIZE	NOMINATED BY
Award for Excellence	Exceptional customer service	May Include:	Manager with consideration of Supervisors, Board and members views
	Performance Review	Bottle of spirits	
	Hard work and dedication	Dinner for two at one of Club's restaurants	
Peer Award	Excellent Teamwork	Money / bonus	Voted by Peers on majority
	Fellow workers elected		

employee development

Agreements with extensive employee development provisions are a rare feature with most agreements usually providing only a basic guideline. The following two agreements, however, both show a comprehensive approach towards employee skill development. The manufacturing industry agreement undertakes an in-depth consultative approach to developing training plans, as well as offering a pay incentive. The agreement aims to upskill its workforce by back paying its employees at a higher level once they have attained the required skills. The retail industry agreement takes a different approach, providing employees with the opportunity to meet and develop their own forms of training. The agreement is of the view that the sharing of information is vital to an employee's ability to perform their duties.

training

MANUFACTURING INDUSTRY

“8.1 The Company is committed to the development and implementation of training programs to extend the skills of all employees. Accordingly, both parties commit themselves to (refer to Clauses 6.10.1 and 6.10.2):

- Developing a more highly skilled and flexible workforce;
- Providing employees with career opportunities through appropriate training to acquire additional skills;
- Removing barriers to the utilisation of acquired skills.

8.2 The Company undertakes to maintain a Training Committee, consisting of Team Technical Trainers and nominated representatives of management.

8.3 The Consultative Committee shall be the forum for monitoring the effectiveness of the Training Committee.

8.4 Training Plans will be developed for employees through discussion and consultation between Team Leaders and [Company] Technicians. Training Plans will recognise:

- Skill aspirations of employees
- Skill needs of the work unit
- Resources available (machines, process systems, equipment, materials, etc..).

Training Plans will be for a maximum of 12 months or once completed. Once the Plans have been implemented and completed, a new Training Plan will be developed, employing the criteria above.

Training Plans will be based on the assessment of their current skill levels and the Team's immediate needs. Should the Technician be assessed at competence for a higher pay level, they will move to the higher pay level and be back-paid to the date this agreement was signed.

Amendments to the Training Plan will be made as a result of:

- The employee transferring to another department or section in which case a new Training Plan will be developed;
- Changes have occurred to machines, process systems, equipment, materials, etc;
- The needs of our customers and our business
- Individual choice through discussion/consultation between the Team Leader and the [Company] Technician.

Training Plans will be regularly reviewed by the Team Leader and the [Company] Technician and can occur:

- Daily, weekly or monthly;
- At least every three months, and up to 12 months;
- Immediately once an employee has moved to a new Pay Level.

...

CLAUSE 27: CLASSIFICATION STRUCTURE

The classification structure, based on acquired skill, is not intended to disadvantage any employee. The descriptions are only indicative of the skills and experience which apply to different levels of pay. They are not job descriptions and do not identify all the tasks of employees within a class. They are meant to provide a framework for employee development, and to encourage the expansion of multi-skilling, and the development of the employee at competence.

The current method of assessment to a new level will continue until the proposed method is implemented. Assessments will occur annually or on request until the employee has met the minimum Level requirement for the Team.

Employees under-going assessment to progress from one pay level to the next pay level, and are deemed as competent at the completion of the assessment, will receive payment at the new level from the commencement of the assessment. This back-pay will be included in the payment period following the assessment at competence.

Employees who are undergoing assessment to progress to the next pay level, but cannot progress to the next pay level due to the unavailability of training such as the provision of a TAFE or a Polytec Course, will receive payment at the new level from the commencement of the assessment and upon being assessed as competent to move to the next pay level.

Employees wishing to move beyond the minimum Team requirement can do so by agreement between the Team Leader and the [Company] Technician.

The following descriptors at each of the pay levels are indicative of the skill requirements at each level. Where possible, the Company shall endeavour to provide the necessary training to assist all employees to achieve their maximum potential.”

shared information

RETAIL INDUSTRY

“The [Company] is committed to developing the greatest possible understanding of its business within each employee. With the exception of personal data in relation to other employees and any strategic plans that must of necessity be kept confidential from employees, [the Company] will make available to the employee all information within the company. Furthermore, management will hold a meeting with all employees at least once every six months to present, explain and discuss the financial performance of the company. The employee agrees to hold strictly confidential all knowledge and information he/she acquires in relation to the [Company]. This does not preclude the employee from discussing this knowledge and information with other current employees of the [Company].

Team Review Meetings

Both parties to this Agreement are committed to the principle of continuous improvement, and agree to work together to improve the sustainable financial performance of the [Company] regardless of how well it may seem to be performing relative to past results or to competitor results.

Both parties agree that continuous improvement is best achieved by actively encouraging all the [Company's] employees to suggest and consider ideas for improvement during regular team meetings.

A sufficient number of team review meetings will be held each week to ensure that all employees attend at least one each week. The team review meetings will be chaired by a member of the [Company] management team, or an employee who has accepted an invitation by the [Company] management to chair the team review meetings for a period of time.

The team review meeting agenda will always include:

1. Occupation Health and Safety

Any accidents or near misses since the previous meeting?

Have any hazards or potential hazards been reported or identified since the previous meeting?

Any ideas or suggestions for making the workplace safer and more comfortable?

2. Review of customer complaints received since the previous meeting.

3. Review of items currently out of stock.

4. Review of key performance indicators.

5. Ideas for improvement to current procedures and systems.

The [Company] will also use the team review meetings to keep all employees fully informed on the companies sales and financial performance, challenges and issues faced in the market place, and future strategic and marketing plans.

The Whiteboard

A whiteboard and markers will be maintained in a prominent and readily accessible location within the workplace. This will be available for all employees to note non-urgent items they would like to discuss at the next team meeting. Such items could include:

1. Any potential occupational health and safety issues.
2. Any ideas for improvements to current procedures and operating systems.
3. Machinery or equipment requiring maintenance or repair when the employee is unable to perform the maintenance or repairs themselves.

Continuous Improvement Through Feedback

In the spirit of continuous improvement where the employee becomes aware another employee is not following the current procedure, or becomes aware of an error made by another employee, the employee agrees to immediately notify the employee in a polite, respectful and non-judgemental manner.

In the event the employee is unable to easily determine, which employee is responsible for an error, or if the employee they believe is responsible for the error is not willing to acknowledge it, the employee agrees to notify the [Company] management of the error.

The employee agrees to cheerfully acknowledge any errors he/she has made and is notified of by another employee, and to consider how the same error may be avoided in the future, or how the current procedure could be changed to reduce the likelihood of the error occurring again.”

other innovations

The following manufacturing industry agreement possesses innovations in two areas. Firstly, unlike most agreements, the agreement provides severance pay for casual employees in redundancy situations, but only once they convert as a permanent staff member. The same agreement also has arranged for union related information to be inserted into the employee induction program.

severance pay for casual employees

MANUFACTURING INDUSTRY

“7.1.1 Payment Upon Redundancy

...

For the purpose of redundancy, the Company will recognise the continuous service of casual employees (as an employee of the Company), for all time worked in excess of 2 years, upon the casual employee becoming a permanent staff member of the Company.”

union friendly provision

MANUFACTURING INDUSTRY

“2.2 Union Membership and Service Awareness

[The Company] agrees to incorporate into their first induction program the current Union handout material and the [Union] video. In the event that the video or handout should be changed during the life of this agreement, the Union shall consult the company regarding the provision of such new material.”

report written by

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about the ADAM Database

Since 1993, ACIRRT has maintained the Agreements Database and Monitor (ADAM), Australia's most comprehensive and authoritative database of enterprise agreements. With detailed up-to-date information on over 7,500 federal and state enterprise agreements and over 600 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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enterprise bargaining briefings

ACIRRT conducts regular enterprise bargaining briefings across Australia. These half day briefings are designed to provide IR and HR practitioners, unionists, employer groups, consultants, economists, lawyers and policy makers with an up to date assessment of the latest developments in enterprise bargaining. They represent the latest research findings and information from Australia's most comprehensive database on enterprise agreements and AWAs (ADAM) coupled with the views, practices and experiences of guest speakers from various aspects of the industrial relations and human resources field.

To be notified of the next briefing in your state contact ACIRRT on (02) 9351 5626 or visit our web site: <http://www.econ.usyd.edu.au/acirrt/> (look under conferences).

about ACIRRT

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