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WAGE TRENDS

Wage Increases in September '99 Quarter Certified Agreements

The average annual wage increase for enterprise agreements registered in the September 1999 quarter was 3.7% (per agreement), up by 0.6% from the June 1999 quarter increase of 3.1%.

Wage Trends in Enterprise Agreements

This upward trend in quarterly agreement wage increases puts an end to the slow down in wage outcomes for 1999 (see Figure 1.1). The increase partly reflects a positive growth in the Australian economy, however it can be attributed more to the commencement of enterprise agreement negotiations amongst key sectors of the Australian industry which are traditionally recognised for generating higher wage settlements. The bulk of such bargaining rounds, however, are due to commence early in 2000.

Figure 1.1: Average Annual Percentage Wage Increases in Enterprise Agreements: Quarterly Figures, September 1995 — September 1999

Source: ADAM Database, 1999, ACIRRT, University of Sydney.

Figure 1.2 outlines the wages outcomes in the agreement sector since the early 1990s and clearly shows the slowdown, particularly since the peak of 1995 and 1996. Wage outcomes seem to be hovering around levels granted in the early 1990s when enterprise bargaining was first introduced (between 3-4% pa). Public/private sector outcomes have converged closer over time, however the private sector has consistently produced higher wage increases than public sector agreements.

Figure 1.2: Average Annual Percentage Wage Increases in Enterprise Agreements: 1992 — September 1999, Public & Private Sectors*

Source: ADAM Database, 1999, ACIRRT, University of Sydney.
* revised figures
Scope of Enterprise Bargaining in Australia

Enterprise bargaining in Australia has become pronounced during the 1990s where one-third of the workforce is now covered by collective enterprise agreements. Table 1.1 demonstrates the growth since 1995 and shows that the federal jurisdiction represents the strongest growth. For example, over the two year period September 1997 to September 1999, the number of enterprise agreements certified in the federal sphere has almost doubled and now covers three-quarters of federal award based employees. Over the same period, the South Australian and Queensland jurisdictions also produced solid growth.

Table 1.1: Number of Registered Agreements and Employees Covered, by Jurisdiction

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Number of Formalised Agreements*</th>
<th>Proportion of Award-Based Employees Covered for that Jurisdiction (%)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>5,130</td>
<td>10,100</td>
</tr>
<tr>
<td>NSW</td>
<td>1,570</td>
<td>1,776</td>
</tr>
<tr>
<td>QLD</td>
<td>667</td>
<td>1,438</td>
</tr>
<tr>
<td>SA</td>
<td>255</td>
<td>461</td>
</tr>
<tr>
<td>WA***</td>
<td>583</td>
<td>1,130</td>
</tr>
<tr>
<td>Tasmania****</td>
<td>705</td>
<td>894</td>
</tr>
</tbody>
</table>

Source: Relevant State Department or Agency

Notes:

^ Figures as at end June 1999
^^ Based on data calculated by the Department of Workplace Relations and Small Business
+ Figures not available at time of printing
* These are collective union and non-union certified agreements only which incorporate expired and currently registered enterprise agreements. AWAs not included
** This figure represents the proportion of employees covered by agreements who are eligible to be covered by awards in each jurisdiction (estimates only)
*** 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).
**** This figure is a composite of s 55 industrial agreements and Part IVA enterprise agreements available under the *Industrial Relations Act 1984* (Tas).
Wage Increases in Current Agreements

The average annual wage increase for agreements currently in operation (as at end September 1999) was 3.9%, down from 4.1% (see Figure 1.3). This trend shows that although the September quarter witnessed an increase in average annual wage outcomes, trends for agreements currently in operation overall show that they still appear to be falling.

Figure 1.3 Average Annual Wage Increases in Current Operative Agreements, by Industry

Source: ADAM Database, 1999, ACIRRT, University of Sydney.

Note: Current agreements include all agreements which have not reached their stated nominal expiry date as at end September, 1999
**Wage Dispersion**

Table 1.2 provides a breakdown of highest and lowest average annual wage increases provided for 13 major industry groups. The table highlights the level of dispersion within each industry demonstrating that there is increasing wages dispersion both between and within industries that may be accentuated by enterprise bargaining. Given that actual wage increases within each industry range anywhere from 0.3 per cent to 22.8 per cent, dispersed ranges like these imply that average wages data may be masking important trends within each of the industries. For this reason, it is important to understand the 'clustering' of agreements across industries.¹

**Table 1.2: High and Low Average Annual Wage Increases in Current Operative Agreements, by Industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Highest Average Annual Wage Increase (%)</th>
<th>Lowest Average Annual Wage Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining/Construction</td>
<td>22.8</td>
<td>0.7</td>
</tr>
<tr>
<td>Food, Beverage &amp; Tobacco Manufacturing</td>
<td>7.7</td>
<td>0.3</td>
</tr>
<tr>
<td>Metal Manufacturing</td>
<td>7.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>13.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Electricity, Gas &amp; Water</td>
<td>6.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Wholesale/Retail Trade</td>
<td>8.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Transport/Storage</td>
<td>9.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Financial Services</td>
<td>13.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Public Administration</td>
<td>9.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Community Services</td>
<td>12.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Recreational &amp; Personal Services</td>
<td>14.0</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: ADAM Database, 1999, ACIRRT, University of Sydney.

Note: Current agreements include all agreements which have not reached their stated nominal expiry date as at end September, 1999.
High Wage Agreements

A selection of recent high wage increase agreements from the September quarter was analysed (see Table 1.3). The analysis revealed that high wage increases are mainly granted on the basis of linked performance outcomes (on an individual and collective level). At the same time, several agreements were granting high wage increases simply because they were 'catching up' with the industry or award standard. Unlike recent trends in agreements which tend to alter hours of work arrangements, performance measurement was more likely to be used as the basis for wage increases.

Table 1.3: Key Features of Recent High Wage Increase Enterprise Agreements

<table>
<thead>
<tr>
<th>Industry</th>
<th>Key Provisions</th>
</tr>
</thead>
</table>
| Entertainment Sector (AAWI 14%)               | • Covers four employees.  
• 10% payable on certification. Includes 4 safety net adjustments.  
• A further 4% payable on attainment of productivity gains calculated using a complicated formula.                                                                                                                                                                          |
| Education Administration (AAWI 12.2%)         | • 6.2% increase on certification absorbs safety net increases for the previous two years.  
• A further two instalments of 3% each are guaranteed. The second 3% comes into effect in the final month of the agreement.  
• Introduces a Performance Management system to be developed through consultation during life of the agreement. Performance indicators will determine entitlement to increment progression.                                                                                     |
| Construction (AAWI 8.84%)                     | • 14% increase paid as 10% upon certification and two further 2% increases. All increases are guaranteed and not tied to specified productivity gains.  
• Option for a 12-hour day to be worked if agreed to by the union.                                                                                                                                                                                                                   |
| Clothing and Footwear Manufacturing (AAWI 7.5%) | • Wages are based on individual performance targets.  
• Optimum is an increase of 5-15% for an ‘Outstanding’ assessment grade.  
• 0-1% wage increase is available for a grading below the target.  
• Bonuses of up to 5% based on company profits and the cost of the department compared to the ‘Net Sales’ made.                                                                                                                                                                         |
| Mining (AAWI 7.25%)                            | • 5% paid on certification.  
• 6% linked to quantified productivity targets, 0.5% linked to successful production of medical certificates after 2 days absence a year.  
• A further 3% guaranteed for economic adjustment.                                                                                                                                                                                                                               |
| Wood Products Manufacturing (AAWI 6.5%)       | • A total wage increase of 13% is guaranteed in four instalments.  
• The company makes a commitment to the principle of equal pay for work of equal value and shall not allow gender inequity in award, agreement or over-award contexts.  
• Measures to improve productivity include:  
  * Greater flexibility in taking of annual leave  
  * Bank fees of $2 a week paid to employees not receiving wages in cash                                                                                                                                                                                                              |
| Chemical Manufacturing (AAWI 6%)              | • 5% guaranteed on certification.  
• A further 3% and 6.5% available on 100% participation in:  
  * Teams setting, monitoring, communicating and meeting performance targets  
  * Teams demonstrating developed skills  
  * Cross training                                                                                                                                                                                                                                                                 |
| Finance Sector (AAWI 5.6%)                    | • 4.7% guaranteed on certification.  
• Two further instalments of 3.25% each are payable on scoring the optimum level of productivity gain based on an Organisation Performance Matrix. The Matrix is confidential and does not appear in the agreement.  
• Agreement covers 278 employees, of whom 236 are female.                                                                                                                                                                                                                    |

Source: ADAM Database, 1999, ACIRRT, University of Sydney. Note: High wage agreements are defined as those delivering an AAWI of 5% or above.
Developments in Federal AWAs

As at 30 November 1999, 80,770 AWAs were approved covering 1,877 employers. Developments in other jurisdictions are shown in Table 1.4.

Table 1.4: Scope of Individual Contracts in Australia, September 1999

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Total No of Workplace Agreements Approved (as at end of September 1999)</th>
<th>No of Employers Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal — AWAs</td>
<td>73,042</td>
<td>1695</td>
</tr>
<tr>
<td>WA (Individual &amp; Collective) — s 30</td>
<td>200,845</td>
<td>N/a</td>
</tr>
<tr>
<td></td>
<td>s 40</td>
<td>195</td>
</tr>
<tr>
<td>QLD — QWAs</td>
<td>2,707</td>
<td>398</td>
</tr>
</tbody>
</table>

Source: Relevant Department or Agency

Note: Figures as at end September 1999

According to statistics released by the Office of the Employment Advocate (OEA), a large proportion of approved federal AWAs are from the transport/storage industry (15%), manufacturing (13.5%), government administration (10%) and health and community services (9.9%). Agreements in finance services (1.6%), utilities (1.5%), communication services (0.9%), wholesale trade (2.3%) and personal and other services (2.5%) are less likely to opt for AWAs.

Comparison of Wage Trends in AWAs and Certified Agreements

An analysis of current agreements as at the end of the September 1999 quarter shows that wage outcomes vary considerably between union agreements, collective non-union agreements and AWAs (see Table 1.5). For example, the average annual wage increase for all current AWAs was 3.1% compared with 3.1% for non-union agreements and 4.1% for union agreements. This represents a difference of one percentage point between collective unionised agreements and collective non-unionised agreements and AWAs.

Table 1.5: AAWI in Currently Operating Agreements, by Agreement Type

<table>
<thead>
<tr>
<th></th>
<th>Union Agreements</th>
<th>Non-union Agreements</th>
<th>AWAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Agreements</td>
<td>4.1</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Public Sector</td>
<td>3.7</td>
<td>3.3</td>
<td>3.6</td>
</tr>
<tr>
<td>Private Sector</td>
<td>4.3</td>
<td>3.0</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Source: ADAM Database, 1999, 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 September, 1999. 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 1.6 shows how AWAs are far more likely to link wage increases to performance. Just under one third (29.6%) of agreements link wage increases to performance compared with 16.9% of union agreements and 8.9% of non-union agreements. Future issues of the ADAM Report will examine the content of AWAs in more detail.

**Table 1.6: Performance Linked Wage Increases, by Agreement Type**

<table>
<thead>
<tr>
<th>Type of agreement</th>
<th>% of Current Agreements Which Link Wage Increases to Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Certified Agreement</td>
<td>16.9</td>
</tr>
<tr>
<td>(n=1719)</td>
<td></td>
</tr>
<tr>
<td>Non-Union Certified Agreement</td>
<td>8.9</td>
</tr>
<tr>
<td>(n=506)</td>
<td></td>
</tr>
<tr>
<td>AWA</td>
<td>29.6</td>
</tr>
<tr>
<td>(n=345)</td>
<td></td>
</tr>
</tbody>
</table>

1 See Heiler K., Arsovksa B., and Hall R (forthcoming) “Good and Bad Bargaining Outcomes for Women: Do Unions Make A Difference?” *Labour and Industry* for an in depth analysis of high and low wage outcomes in enterprise agreements and Heiler K., Arsovksa B., and Hall R (1999), *Casting A Little More Light ... Do We Really Know What Enterprise Bargaining Has Meant for Women’s Wages in Australia?*, ACIRRT Working Paper No 56, University of Sydney

The ADAM Database currently has information on 6820 registered enterprise agreements from the federal, New South Wales, Queensland, South Australian and Western Australian jurisdictions. The ADAM Database also holds information on 450 federal Australian Workplace Agreements.
INNOVATIVE CLAUSES

Hours of Work

Rescheduling and redefining hours of work and overtime are very common issues dealt with in enterprise agreements. The processes used vary from time off in lieu of overtime (TOIL), overtime payments and annualised salaries. The following agreements present alternatives and/or variations to deal with this issue. Firstly, in a metal manufacturing agreement an annual bank of overtime hours is negotiated once a year and reviewed quarterly. The following agreement in the chemical wholesale industry gains greater flexibility in working hours through a process of minimum and maximum range of hours rather than a set number of hours per week. In a poultry manufacturing agreement a TOIL arrangement provides additional annual leave benefits to workers. Finally, an agreement in the wine manufacturing industry provides a comprehensive arrangement for distribution of additional hours to be worked by weekly employees as opposed to hiring external labour.

Metal Manufacturing

"ADDITIONAL HOURS

19.1 Principles

19.1.2 An operating employee who works additional hours will be paid for those hours on an as worked basis as follows;

(a) Payment will be made at the hourly equivalent of his/her base salary (as defined in clause 21.1), multiplied by a factor 2.4%

...

(c) Payment for additional hours worked will be monthly along with payment of salary in accordance with clause 21.5.2.

19.1.3 In exchange for a commitment to work up to an agreed "annual bank of hours" (as defined in clause 19.2), a maintenance employee will receive a component for additional hours in his/her annualised salary.

19.1.4 (a) Subject to subclause (b) an employee's annual bank of hours will be reduced by the additional hours worked by the employee (being his/her actual time worked).

(b) Where an employee returns to work between his/her normal rostered hours in response to a breakdown or other emergency (whether this is for one or more engagements while on site) a minimum of one hour will be deducted from the employee's annual bank of hours. Where the time spent at work exceeds one hour ... the time deducted from the employee's annual bank of hours will be the actual time worked.

...

19.1.5 The commitment to work additional hours as described in this clause is a fundamental requirement of maintenance employees. Unless the circumstances described in clause 19.3 apply, an employee who does not meet the conditions outlined in this clause, without an acceptable reason, may be subject to disciplinary action. Prior to the taking of disciplinary action, the employee will be given the opportunity to discuss his/her personal circumstances.

19.2 Requirement to Work Additional Hours

...

19.2.2 The Annual Bank of Hours

(a) Subject to clause 19.6, an employee may be required to work additional hours up to his/her annual bank of hours as defined in
subclause (g) below, and within the coverage criteria detailed in appendices 5 to 9.

(b) At the commencement of this agreement, a maintenance employee must elect his/her annual bank of hours from the choices [provided]

(c) In the event that the average of the annual banks of hours chosen by all applicable employees exceeds 300 hours, all annual banks of hours will be reduced on a pro rata basis to reduce the average to 300 hours.

... 

(e) The annual bank of hours does not accumulate from year to year, with unused hours being written off at the end of each year.

(f) It is not intended that an employee will be required to work additional hours beyond his/her annual bank of hours. If however, due to extenuating circumstances, an employee agrees to work additional hours beyond his/her annual bank of hours he/she will do so on the understanding that there will be no additional payment, but time off in lieu of ordinary hours will apply.

... 

19.4.2 Pursuant to clause 19.4.1, the employee's bank of hours for a financial year will be reduced on a pro rata basis for the period of long service leave taken in that financial year. The hours to be written off the annual bank of hours will be calculated by dividing the calendar days of long service leave taken at the "existing long service base salary" rate by 365 and multiplying that figure by the employee's annual bank of hours.

19.5 Annual Bank of hours — Annual Review

19.5.1 At the commencement of each year, the annual bank of hours choice assigned to an employee may be reviewed for appropriateness in light of business requirements at the time.

19.5.2 ... any change to an employee's annual bank of hours will only be by agreement between the company and the employee.

19.5.3 Where the annual bank of hours assigned to an employee changes, an appropriate adjustment will be made to the employee's annualised salary to reflect that change.

19.6 Annual Bank of hours — Quarterly Write-off

19.6.1 Intent

An employee's annual bank of hours defined in clause 19.2 will be subject to a quarterly write-off designed to keep sufficient hours in reserve in the earlier part of each year and to also be able to meet maximum reasonable demands in the latter part of the year. At the same time, an employee will not be required to work all of his/her annual bank of hours in the final months of that year.

19.6.2 A quarterly write-off of an employee's annual bank of hours will be conducted as follows:

(a) At the end of each quarter, the percentage of an employee's outstanding annual bank of hours will be compared to the relevant percentage figure ... 

(b) Where the percentage is higher than the relevant figure ... the excess additional hours will be written off to reduce the employee's annual bank of hours to the appropriate level. Any reduction to an employee's annual bank of hours under these arrangements will not result in a reduction to the employee's annualised salary.

(c) Where the percentage is lower than the relevant figure ... no write-off of the employee's annual bank of hours will occur in that quarter."
Chemical Wholesalers

"12.8 WORKING HOURS"

a) The company’s plan and aim is that employees will work, on average, less than 45 hours/week. Employees will be rostered to work 42.5 hrs/week. The workload will be planned so that, provided minimum performance standards (in line with incentive targets) are met, employees will be able to complete the work in line with the rostered hours. The number of hours worked on any one day may vary (in excess of or less than 9 hours) to meet operational and customer requirements. There will be a minimum working week of 38 hours. There will be a maximum working week of 52 scheduled hours with a maximum of 12 hours on any one day. Each employee’s salary takes into account all of the requirements of the employee’s role. The requirements of each task will be set out in relevant performance standards.

Employees commit to completing the scheduled work for any one day. This will be achieved through total flexibility by the workforce across the … site. Employees are expected to be available to work a reasonable number of additional hours if called on to do so. This may be necessary to replace absent team members, complete jobs, meet production and or process requirements, break-downs and the like. Any additional hours will be worked Monday to Friday. Variations in hours will be shared across the full team."

Poultry Manufacturing

"2.1 TIME OFF IN LIEU OF OVERTIME"

• As mutually agreed by the parties involved, all employees will work an extra 1 hour and 30 minutes (paid at ordinary time) each fortnight. This time will be banked and upon accrual of 38 hours, the employee will then be entitled to an extra 5 days leave. This leave is only available once the full 38 hours has been banked. This leave does not attract leave loading.

• All employees have agreed to work this extra 1 hour and 30 minutes fortnightly (on the Friday of the early start, 5.00am week), except in the instances where public holidays, annual leave and sick leave falls on that day."

Wine Manufacturing

"11.11 ADDITIONAL EMPLOYMENT"

11.11.1 The objectives of this sub-clause are to provide additional employment opportunities for weekly hire employees, regular casual employees and seasonal casual employees and to reduce external labour hire/contractors in the tasks specified in this sub-clause;

11.11.2 Additional employment opportunities will be given to employee(s) (provided those employee(s) have made a written request) in preference to engaging external labour hire for the tasks specified in this sub-clause and subject to the conditions specified in this sub-clause. However, there is no obligation on the company to create additional work to satisfy any requests by employees for additional employment where there is no need for additional work to be done or where the company believes that the employee(s) do not have the necessary skills to carry out that additional work.

11.11.3 Availability

...

11.11.3.4 The employee must indicate on the prescribed form the number of additional hours they are willing to work up to the maximum allowable hours as specified in this sub-clause by 1 August, 1 December and 1 April each year for the period 1 July 1999 to 30 June 2001;

...
11.11.3.7 For any other type of work that is required to be performed, additional to rostered ordinary hours, the normal overtime provisions must apply;

11.11.3.8 Employees who do not elect in the prescribed form to include Saturday work in their request for additional employment will not qualify for an entitlement to additional employment.

11.11.4 Allowable Hours of Work

11.11.4.1 Weekly Hire Employees:

11.11.4.1.1 Can request in the prescribed form to work up to two hundred (200) additional hours outside of their rostered ordinary hours of work in each year between 1 July and 30 June until 30 June 2001. These additional hours may be worked on any day, Monday to Saturday;

... 

11.11.4.2 Regular and Seasonal Casual Employees:

11.11.4.2.1 Can request in the prescribed form to work up to two hundred (200) hours outside of their rostered ordinary hours of work in each year between 1 July and 30 June until 30 June 2001. These additional hours may be worked on any day, Monday to Friday and be paid at the casual hourly rate for the employee’s own grade (ie weekly hire employee time plus 20%);

... 

11.11.4.2.5 Regular casual employees (as defined under sub-clause 11.9 of this agreement) can bank hours worked as additional hours of work and have those hours paid when they are stood down.

... 

11.11.5.5 By giving at least four (4) weeks notice, an employee can vary the requested hours of additional work originally requested by that employee in the prescribed form;

11.11.5.6 The site manager can, by giving the employee at least four weeks notice, refuse to provide any further additional hours of work to an employee if that employee does not work at least 80% of the additional hours requested without reasonable cause.

11.11.5.7 Subject to clause 16 in this agreement, the site manager can, by giving the employee at least four weeks notice, refuse to provide any further additional hours of work to an employee if that employee is unable to meet the required work standard required by the site manager;

...

11.11.5.9 The provision of additional employment must comply with occupational health and safety legislation;”

**Bonus Payments**

Processes for remunerating good performance and commitment are essential to organisations gaining competitive advantage and worker commitment. The following agriculture agreement uses bonus payments to reward length of service and ongoing commitment to the employer within the wool scouring industry. The local government agreement uses bonuses to reward workers who are at the limit of their salary range in order to gain continued commitment from these employees.

**Agriculture**

“13 LOYALTY PAYMENTS

(1) Employees covered by this agreement will become entitled to a loyalty payment in accordance with this clause.

(2) The number of completed years service for the calculation of the loyalty payment shall be as at 30 June 1999. Employees must be employed at the payment dates to be entitled to the loyalty payment.
(3) The loyalty payment is to be made in two equal payments. The first payment to be made to employees in the first pay period on or after 31 December 1999 and the second payment in the first pay period on or after 1 July 2000.

<table>
<thead>
<tr>
<th>Completed Years of Continuous Service</th>
<th>Loyalty Payment ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>Nil</td>
</tr>
<tr>
<td>1 year</td>
<td>Nil</td>
</tr>
<tr>
<td>2 years</td>
<td>500.00</td>
</tr>
<tr>
<td>3 years</td>
<td>800.00</td>
</tr>
<tr>
<td>4 years</td>
<td>900.00</td>
</tr>
<tr>
<td>5 years</td>
<td>1,000.00</td>
</tr>
<tr>
<td>6 years</td>
<td>1,100.00</td>
</tr>
<tr>
<td>7 years</td>
<td>1,200.00</td>
</tr>
<tr>
<td>8 years</td>
<td>1,300.00</td>
</tr>
<tr>
<td>9 years</td>
<td>1,400.00</td>
</tr>
<tr>
<td>10 years</td>
<td>1,500.00</td>
</tr>
<tr>
<td>...</td>
<td></td>
</tr>
<tr>
<td>20 years</td>
<td>2,500.00</td>
</tr>
<tr>
<td>...</td>
<td></td>
</tr>
<tr>
<td>30 years</td>
<td>3,500.00</td>
</tr>
<tr>
<td>31 years</td>
<td>3,600.00</td>
</tr>
<tr>
<td>32 years</td>
<td>3,700.00</td>
</tr>
</tbody>
</table>

**Non-Standard Employment**

With an increasing emphasis on numerical flexibility within the workplace, greater numbers of non-standard employment mechanisms are being used. This is especially the case with the use of part-time and casual workers. How these employees work and the benefits they receive are constantly under review. The following examples show ways that greater flexibility can operate in conjunction with better benefits for these employees. An agreement in the banking sector provides opportunities for casual employees to become key time employees with access to part-time employee benefits. A wine manufacturing employer allows casual employees to accumulate roster days off (RDO) which is to be taken at slower times in the year when the employer cannot provide work. Greater flexibility is gained by an entertainment and recreational services employer by changing full-time employees to part-time/casual and vice versa as the business requires.

**Banking Industry**

"7.8 PART TIME PROVISION — KEY TIMERS"

7.8.1 All key time (casual) staff who are employed under this agreement shall, if they regularly work more than 15 hours per week, have the option of converting from casual status to rostered keytime status.

7.8.2 The provisions relating to rostered keytime staff shall be the same as part time employees with the following exceptions:

**7.8.2.1 Hours**

- There will be a guaranteed minimum of 15 hours per week provided that those employees who have a contract specifying a greater number of hours as their minimum shall retain those hours as their minimum unless changed.

**Local Government**

"24. End of band payment"

Upon the achievement of agreed specified criteria, an employee who is at the end of their relevant band in the award, will be eligible for a one off payment of $500.

The criteria to be achieved will be developed and agreed within three months of signing this agreement.

This clause will apply from the annual review period ending June/July 2000."
in accordance with the normal existing procedures for changing those conditions.

...  

7.8.2.2 Rosters

- Rosters will be issued a minimum of 2 weeks in advance.
- A minimum of 3 days notice will be given in the event of a change to the employees rostered hours.
- However, employees shall not unreasonably refuse short notice requests (if less than 3 working days) to cover for other staff from the home branch for sudden, unavoidable changes to rosters.

...  

7.8.2.4 Loading

- Rostered keytime employees shall be paid an 8.5% loading over and above the relevant ordinary hourly rate calculated in accordance with clause 15 of the award.
- In respect to penalty time and overtime the loading shall be applied in the same fashion as for casual employees.

7.8.2.5 Redundancy Pay

In the event of redundancy, redundancy provisions shall be as per clause 8.2 of this agreement provided that the date from which the employee’s years of continuous service shall be calculated shall be the date at which they became covered by the provisions of the clause.”

**Wine Manufacturing**

“10.10 ROSTER DAYS OFF (CASUAL EMPLOYEES)

10.10.1 Casual employees can accumulate rostered days off in the same way as weekly hire employees;

...  

10.10.4 Accrued rostered days off must be taken where the company is unable to provide work.

FOR EXAMPLE, ON PUBLIC HOLIDAYS AND DURING CHRISTMAS/NEW YEAR CLOSE-DOWN EACH YEAR;

10.10.5 Accrued rostered days off will be paid at the casual rate of pay (time plus 20% loading);

10.10.6 Seasonal casual employees away from work due to illness, who provide a medical certificate or statutory declaration, will be able to use up to three accrued rostered days off per annum (ie up to 22.8 hours) for illness and be paid for it;

10.10.7 Regular casual employees away from work due to illness or special circumstances, who provide a medical certificate or statutory declaration, will be able to use up to five accrued rostered days off per annum (ie up to 38 hours) for illness and be paid for it; and

10.10.8 On termination of employment, accrued rostered days off will be paid out to casual employees at one and a half times a weekly hire employee’s hourly rate.”

**Entertainment and Recreational Services**

“2.1 CONTRACT OF EMPLOYMENT

2.1.9 The employer may on giving the required period of notice (1 to 4 weeks) as set out in clause 2.1.3, change the employees form of engagement from full-time to part-time or casual, part-time to casual, or vice versa, if the operational requirements or needs of the [business] require such a change.”

**Leave**

Flexible leave entitles continue with agreement making. In the following sample clauses many areas of leave, (annual leave, sick leave, additional leave) have been reviewed
and amended. Firstly, in the local government sector agreement provision has been made for additional leave over the Christmas period. A pharmaceutical firm has established a sick leave pooling system. A firm within the education sector removes annual leave loading by paying additional long service leave benefits. Finally, a health services agreement provides stress prevention leave.

**Local Government**

"10.3.5 Granted Leave at Christmas"

Council will grant all permanent staff three extra days annual leave in lieu of the days usually given to staff at Christmas time on the following conditions:

1. All staff who are requested to form part of a skeleton staff between Christmas and New Year either work these days or make alternative arrangements suitable to management.

2. Staff not requested to form part of a skeleton staff use these three extra days between Christmas and New Year.

3. The past practice of closing down services and sending the majority of staff on annual leave over Christmas, January and Easter will cease and all staff may take their annual leave anytime throughout the year by mutual agreement.

4. All staff will be allowed to cease work after a half day on the last working day prior to Christmas to attend approved staff Christmas functions. Note: in limited circumstances, where customer service cannot be interrupted, staff and management will make other suitable arrangements for equivalent time off."

**Pharmaceutical Products Manufacturing**

"2.6.8 Sick Leave Pool"

The company agree to set up a sick leave pool for the support and assistance of associates with chronic and/or long-term illness. Twice a year on 15th July and 15th January, associates may donate to the pool:

- a maximum of two days per year from their current year's sick leave entitlement; and/or
- any portion of their entitlement in excess of two year's worth of entitlement.

Associates who donate sick leave entitlements to the pool forego those entitlements. The company consultative committee will establish guidelines for when and how an associate may access the sick leave pool. Access to sick leave pool will commence from 1/10/99."

**Education Sector**

"Clause 14 Annual Leave Loading"

14.1 The parties agree that the school will pay 1.34% of salary as additional superannuation benefits in lieu of payment of annual leave loading. This is calculated on the basis of 17.5% of (four) weeks annual leave."

**Health Services**

"26 STRESS PREVENTION LEAVE"

26.1 Employees who provide face to face counselling services as part of their employment are entitled to one weeks paid leave for every twelve months of service.

26.2 For the purpose of this clause stress prevention leave is available to permanent full time employees only. Eligibility for stress prevention leave is twelve months of continuous service.

26.3 Stress prevention leave is specifically for rest and relaxation to prevent physical or psychological ill health.

26.4 Stress prevention leave is taken at the discretion of the employee in consultation with the employer.
26.5 There shall be no payment of portions of stress prevention leave not taken on retirement or termination.”

Family Friendly Provisions

Although not common, employers recognise the importance of family and community need and have developed ways of providing additional benefits for workers with such needs. An agreement in the employment services sector provides a comprehensive family package, including introduction of paid maternity leave, breastfeeding provisions and a family care allowance. A local government agreement acknowledges the demands of a young family by also providing breastfeeding provisions. Finally, a welfare services agreement provides comprehensive family and community leave benefits for workers.

Employment Services

“15 LEAVE ENTITLEMENTS

15.1 Parenting Leave

15.1.1 Basic Entitlements

Subject to approval and prior arrangement an employee who becomes pregnant shall, upon production to her employer of a certificate from a duly qualified medical practitioner stating the presumed date of confinement, be entitled to up to (in the first year of this agreement) 4 weeks paid maternity leave and 48 weeks unpaid maternity leave, provided that she has had not less than twelve months continuous service with that employer immediately preceding the date upon which she proceeds upon such leave and she returns to her employment for at least 12 months after the expiration of her maternity leave.

In the second year of this agreement, the employee, having satisfied the requirements above, shall be entitled to up to 8 weeks paid maternity leave and 44 weeks unpaid maternity leave.

In the third year of this agreement, the employee, having satisfied the requirements above, shall be entitled to up to 12 weeks paid maternity leave and 40 weeks unpaid maternity leave.

After 12 months continuous service, parents are entitled to a combined total of 52 weeks paid and unpaid parental leave on a shared basis for the birth or adoption of their child.

For women, maternity leave may be taken and for men, paternity leave may be taken. Adoption leave 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 leave in the following circumstances:

For maternity and paternity leave, an unbroken period of one week at the time of the child’s birth; or for adoption leave, an unbroken period of up to three weeks at the time of placement of the child.

17 BREASTFEEDING

An employee shall be entitled to 3 × half hour breaks per day for breastfeeding. The employer undertakes to provide a private space for breastfeeding.

18 ALLOWANCES

18.1 Family care allowance

Where an employee is directed by their manager to work after 6.30pm or on weekends, and where another family member is unable to assume childcare responsibilities, family care costs of up to $17.00 per hour for each hour worked, incurred by the employee, will be paid on the production of a receipt from the agency or carer.”

Local Government

“29.2 PARENTAL LEAVE (INCORPORATING MATERNITY, PATERNITY AND ADOPTION LEAVE)
29.2.1 Breastfeeding

[The employer] is committed to promoting a positive attitude to breastfeeding in the workplace and acknowledges that the workplace should be sufficiently flexible to permit working mothers to choose breastfeeding as a convenient option. Such flexibilities may include but not be limited to flexible working hours and flexibility of times of usual breaks and/or lactation breaks as required for expressing or breastfeeding."

Welfare Services

"9 FAMILY AND COMMUNITY SERVICE LEAVE

9.1 In addition to carer’s leave, family and community service leave (FACS leave) is available to staff.

9.2 FACS Entitlement

The maximum amount of FACS leave on full pay, which may be granted is:

(a) after the completion of the first 12 months of service — two and a half working days, (ie half a day per each day worked); or

(b) after the completion of the first two years of service — five working days (ie one day per day worked); or

(c) the period calculated by allowing one working day for each completed year of service after the completion of two years continuous service and deducting therefrom the total amount of family and community service leave granted.

(d) this leave is available on a pro-rata basis to part-time staff.

(e) FACS leave is not paid out on termination of employment.

9.3 Use of FACS leave

9.3.1 Staff can utilise this leave to meet family activities and community service respon-
sibilities. This could include a need to respond to an emergency situation, for example:

- the illness of a relative/child;
- where a child carer is unable to look after their charge;
- where an employee is unable to attend work because of adverse weather;
- conditions which prevent attendance or threaten life or property.
- a car accident which involves extensive negotiations with officials such as police, NRMA, tow truck, panel beaters etc.

It could also be used in the event of planned absences or where some advance notice is given, for example:

- to accompany a relative to a medical appointment where there is no element of emergency;
- parent/teacher meetings;
- education week activities;
- to meet elder-care requirements of a relative;
- other circumstances outlined in the policy manual, as amended from time to time;
- other circumstances on approval by the co-

ordinator."

Productivity Measurement

One of the main aims of enterprise bargaining agreements was to address issues such as productivity, performance and efficiency at the workplace level. An agreement covering a state government agency provides a comprehensive productivity measurement system (PMS) outlining the principles and assumptions of the PMS as well as the targets and expected performance levels. Targets are set and wage increases are linked to the meeting of such targets.
Inhibited the achievement of agreed productivity targets, the related measures will be excluded or discounted accordingly when overall agency productivity is measured.

(g) Ongoing management and development of the system will be done in consultation with employees or their nominated representatives, with any agency-wide disputes or issues being handled through this agreements dispute resolution procedure.

(h) A “bottom up” approach to KPI measurement and development will be used in the agency with work-groups developing their KPI measures, weighting and indexing in consultation with their respective supervisors, managers and directors.

Creating the KPI Index

4. Prior to the commencement of each financial year the agreed target, baseline, crisis and go home point will be reviewed. Each KPI will be indexed on a scale range of 0-200 in accordance with the following scale:

| 200 | best practice |
| 199 to 101 | agreed target |
| 100 | baseline |
| 99 to 1 | crisis |
| 0 | go home |

This is the absolute best in class performance that the group would expect to achieve. In some cases this will be available from benchmark literature, in others the group will need to determine what they believe to be best practice.

This is the target determined by the group for the next 12 months. The agreed target is the most realistic goal that the group can set for their improvement over the next 12 months. The agreed target is located on the index between 100 and 200 in the appropriate place.

The baseline is the group’s current average level of performance determined over time.

The crisis point is the point at which alarm bells would start sounding to let the group know that their level of performance has dropped to an unacceptable level below their original level of performance and that action needs to be taken.

The go home point is the point at which the group believes it should pack up and go home allowing someone else to do the job.

5. Individual KPIs will be weighted to reflect its significance to the overall group index. Weighting will be done on the basis of impact and scope of control.
6. A group index will be created automatically from the index for each individual KPI. Each point on the group index is calculated by multiplying the KPI index by each of the weighting figures then adding them to the other KPI’s. For example—

<table>
<thead>
<tr>
<th>KPI</th>
<th>Impact</th>
<th>Scope</th>
<th>Agreed</th>
<th>Crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4</td>
<td>5</td>
<td>162</td>
<td>60</td>
</tr>
<tr>
<td>B</td>
<td>5</td>
<td>5</td>
<td>144</td>
<td>40</td>
</tr>
<tr>
<td>C</td>
<td>5</td>
<td>4</td>
<td>171</td>
<td>52</td>
</tr>
<tr>
<td>D</td>
<td>3</td>
<td>5</td>
<td>155</td>
<td>48</td>
</tr>
</tbody>
</table>

(ii) the executive director recommending whether the full negotiated salary increase should be paid.

(c) If the agency OBM index has not achieved the “agreed target” and the index of work group KPIs have achieved the “agreed target” then the salary increase will be determined by:

(i) calculating the percentage of achievement of the “agreed target” compared to the “agreed baseline” for the OBM index.

(ii) adjusting for external factors which have contributed to the non-achievement of the OBM index “agreed target.”

(iii) the executive director recommending whether the full negotiated salary increase should be paid

(d) If the agency OBM index has not achieved the “agreed target” and the index of work group KPIs has also not achieved the “agreed target” then the salary increase will be determined by the percentage of achievement of the “agreed target” compared to the “agreed baseline” for the lower indexed measure multiplied by the negotiated salary increase and following:

(i) adjustments for external factors which have contributed to the non-achievement of the OBM index “agreed target” and the index of work group KPIs “agreed target” and

(ii) the executive director recommending whether the full negotiated salary increase should be paid—

Example:

<table>
<thead>
<tr>
<th>Agency OBM Index</th>
<th>Work Group KPIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed Target = 145</td>
<td>Agreed Target = 158</td>
</tr>
<tr>
<td>Baseline = 100</td>
<td>Baseline = 100</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td><strong>Work Group KPIs</strong></td>
</tr>
<tr>
<td>Agency OBM Index = 155</td>
<td>Work Group KPIs = 150</td>
</tr>
</tbody>
</table>
Based on the assumption that no factors affecting the index scores were out of the employees’ control.

As the agency OBM index has been achieved but the workgroup KPI index has not been achieved the formulae in (b) shall be used, ie 55/58 = 94.8%

Therefore, the agreed salary increase of 3% will be reduced by 5.2%

\[ 3\% \times 94.8\% = \text{Equals a salary increase of 2.844%} \]

**Consultation**

Joint mechanisms have existed to provide a comprehensive process to decide many workplace issues — such as workplace change, productivity and efficiency measures. The following agreement in the wine manufacturing sector ensures that the selection of a representative covers different categories of workers.

**Wine Manufacturing**

"CLAUSE 14 CONSULTATIVE COMMITTEE"

14.11 Employee Representative Selection Considerations

14.11.1 The aim is to ensure the proportion of people in different categories in the workforce, eg gender, migrants, juniors, is reflected in the membership of consultative committees;

14.11.2 Consider the size of each work group and therefore the committee numbers;

14.11.3 Representation of different shifts."

**Union Recognition**

Unions remain a significant party in the agreement making process, however they seem to be less likely to be recognised through consultative union provisions. An agreement in the hospitality industry has developed a comprehensive clause in relation to union membership, training and right of entry, however its innovation arises in the way in which the union plays a role in the induction program for new employees. An employment services agreement provides for the provision of training. While a welfare services agreement covers issues associated with discrimination on account of industrialisation.

**Hospitality Industry**

"21.0 AGREEMENT COMPLIANCE & UNION RELATED MATTERS"

21.1 Union participation during induction meetings

The union will be invited and entitled to participate in the ‘employee induction program’ and be permitted to address all new employees in a joint presentation to explain the role of the union and the benefits of union membership."

**Employment Services**

"11.3 UNION/EMPLOYER CO-OPERATION"

To facilitate union membership, the employer will:

11.3.1 Provide payroll deduction services for union fees. Such fees shall be remitted to the union on a monthly/fortnightly basis with enough information supplied to enable the union to carry out reconciliation;

11.3.2 Supply all employees with an application form to join the union at the same time as employees are provided with their taxation declaration form.

11.3.3 Ensure that all supervisors are trained in the provisions of the certified agreement."

**Health Services**

"44 DISCRIMINATION ON ACCOUNT OF INDUSTRIAL ACTION"
44.1 [The employer] shall not dismiss or threaten to dismiss an employee or injure or threaten to injure them in their employment or alter their position or threaten to alter their position to their prejudice, by reason of the circumstances that the employee:

(i) is or has been or proposes or has at any time proposed to become an officer, delegate or member of the [union]; or

(ii) is entitled to the benefit of an industrial agreement or an award; or

(iii) appeared or proposed to appear as a witness or has given or proposes to give evidence in a proceeding under the [relevant legislation];

(iv) being a member of the [union] which is seeking better industrial conditions, is dissatisfied with their conditions; or

(v) has absented themselves from work if:

(a) the absence was for the purpose of carrying out authorised duties as an officer or delegate of the [union]; or

(b) the officer or delegate applied for such absence before they absented themselves and leave was unreasonably refused or withheld; or

(c) being an officer, delegate or member of the [union], has done or proposes to do an act or thing which is lawful for the purpose of furthering the industrial interests of the [union] or its members being an act or thing done within the limits of authority expressly conferred on the employee by the [union] in accordance with the rules of the [union].

44.2 The employer shall not dismiss or threaten to dismiss an employee or injure or threaten to injure the employee in their employment or alter their position to their prejudice with the intent to dissuade or prevent the employee from becoming such officer, delegate or member or from appearing, giving evidence or being an officer, delegate or member of the [union] ...

Other

Acknowledgment of the diversity of Australian workplaces is increasingly recognised in enterprise agreements. The following agreement from the entertainment and recreational services sector acknowledges the importance of Aboriginal laws and customs while the second manufacturing agreement commits to gender equality with in the workplace.

Entertainment and Recreational Services

"1.2 CULTURAL STATEMENT"

1.2.2 All parties to this agreement acknowledge that both [Region A] and [Region B] tribal law or custom is unwritten. In interpreting any part of this agreement the employer may take into account [Region A] or [Region B] tribal law or custom and may refer any question of interpretation of such law or custom to the employer's cultural committee, the Council of Elders or a recognised authority on [Region A] or [Region B] tribal law and custom"

Wood Products Manufacturing

"2. COMMITMENTS"

- That the company is committed to the principle of equal pay for work of equal value and shall not allow gender inequity to occur in the workplace either in an award, agreement or overaward context. Any dispute between the parties on this issue shall be handled in the manner described above."
The ADAM Database currently has information on 6820 registered enterprise agreements from the Federal, New South Wales, Queensland, South Australian and Western Australian jurisdictions. The ADAM Database also holds information on 450 federal Australian Workplace Agreements.
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Report written by Betty Arsovska and Sturt Carter at ACIRRT. Coding and data entry by Kate Abell, Robin Denver, Justine Evesson and Sturt Carter.

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ACIRRT is an independent organisation committed to making a difference to the Australian workplace through research, training and by sharing its findings with others. Recognised by the Australian Research Council as a National Key Centre, ACIRRT is based at the University of Sydney.

For more information about ACIRRT:

Ph: (02) 9351 5626  Fax: (02) 9351 5615
Address: Institute Bldg (H03), University of Sydney NSW 2006
e-mail: acirrt@econ.usyd.edu.au
Website: http://www.econ.usyd.edu.au/acirrt/

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101 Waterloo Road, North Ryde, NSW 2113. Postal address: GPO Box 4072, Sydney, NSW 2001.
http://www.cch.com.au
Head Office North Ryde Ph: (02) 9857 1300 Fax: (02) 9857 1600
CCH Customer Support Ph: 1 300 300 224  Fax: 1 300 306 224. For the cost of a local call anywhere within Australia.

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