



**ACIRRT**  
AUSTRALIAN CENTRE FOR INDUSTRIAL RELATIONS  
RESEARCH AND TRAINING

**CCH/ACIRRT**

# **A**greements **D**atabase **A**nd **M**onitor

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**Report**

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## WAGE TRENDS

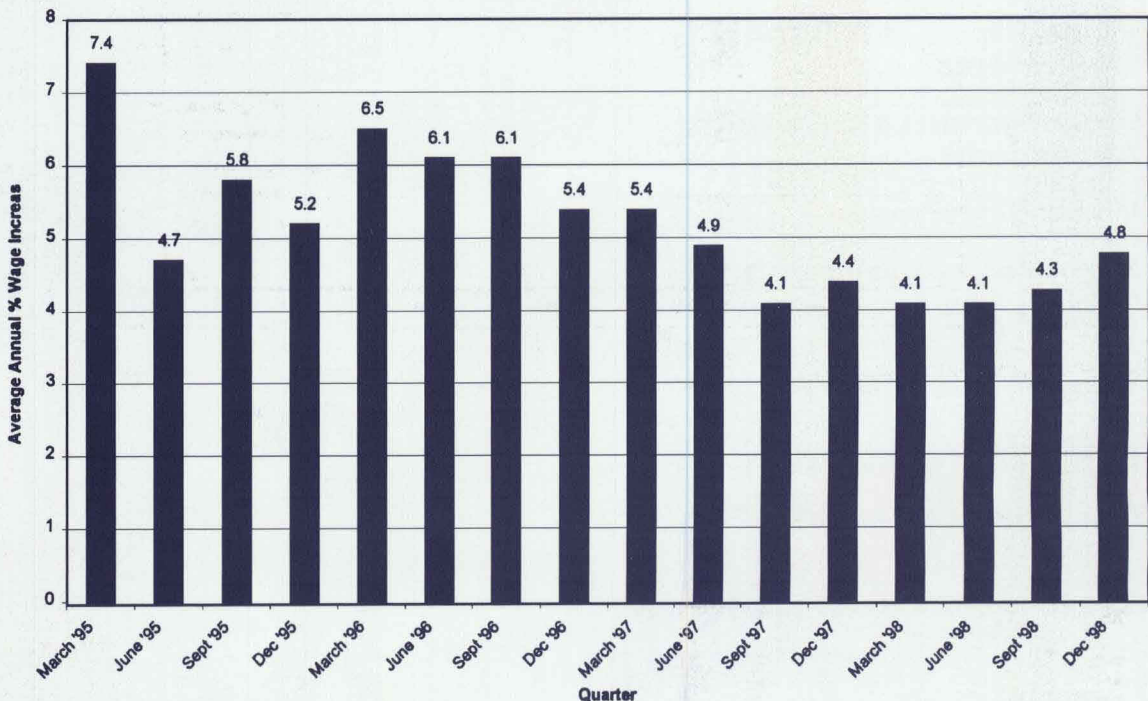
### Wage Increases in December '98 Quarter Agreements

The average annual wage increase for enterprise agreements registered in the December 1998 quarter was 4.8% (per agreement), up from the September 1998 quarter.

### Wage Trends in Enterprise Agreements

This increase in quantum is fairly significant considering that for most of 1998 there was little movement in wages trends. The differences were particularly pronounced between the public and private sectors. Public sector agreements provided for an average annual wage increase of 3.8% for the December quarter while the private sector figure was 5.3%. Figure 1.1 depicts the quarterly wages trends since 1995.

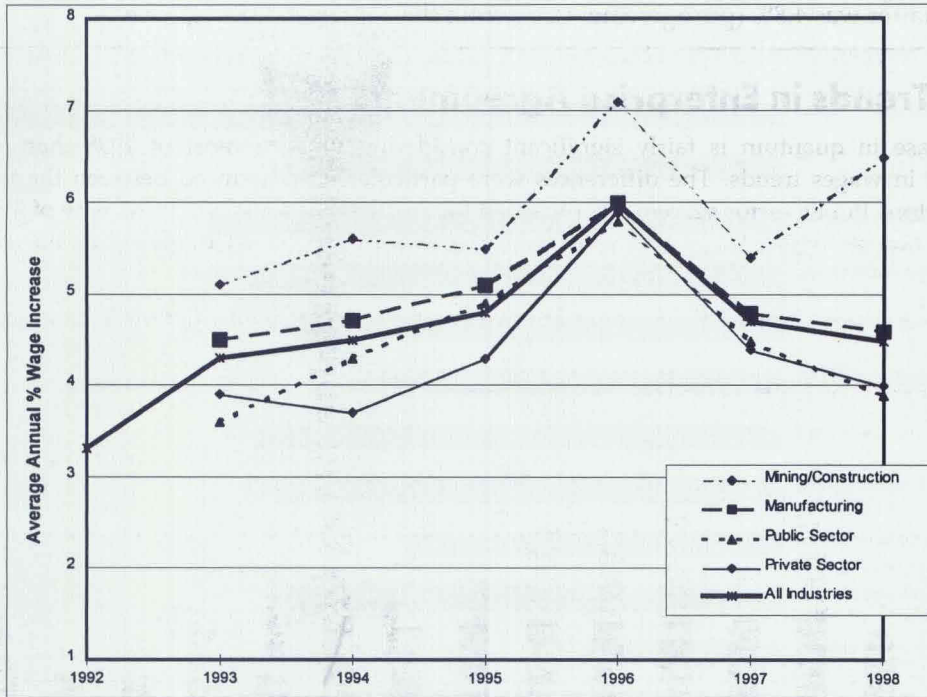
Figure 1.1: Average Annual Wage Increases in Enterprise Agreements: Quarterly Figures, 1995 — 1998



Source: ADAM Database, 1999

An overview of yearly trends, confirms a slowing down of wage increases in enterprise agreements, despite the rise in the December 1998 quarter. Over the years, the mining/construction sector has consistently provided for wage increases above the all industry average (see Figure 1.2).

**Figure 1.2: Yearly Developments in Average Annual Wage Increases From Enterprise Agreements: 1992-1998**

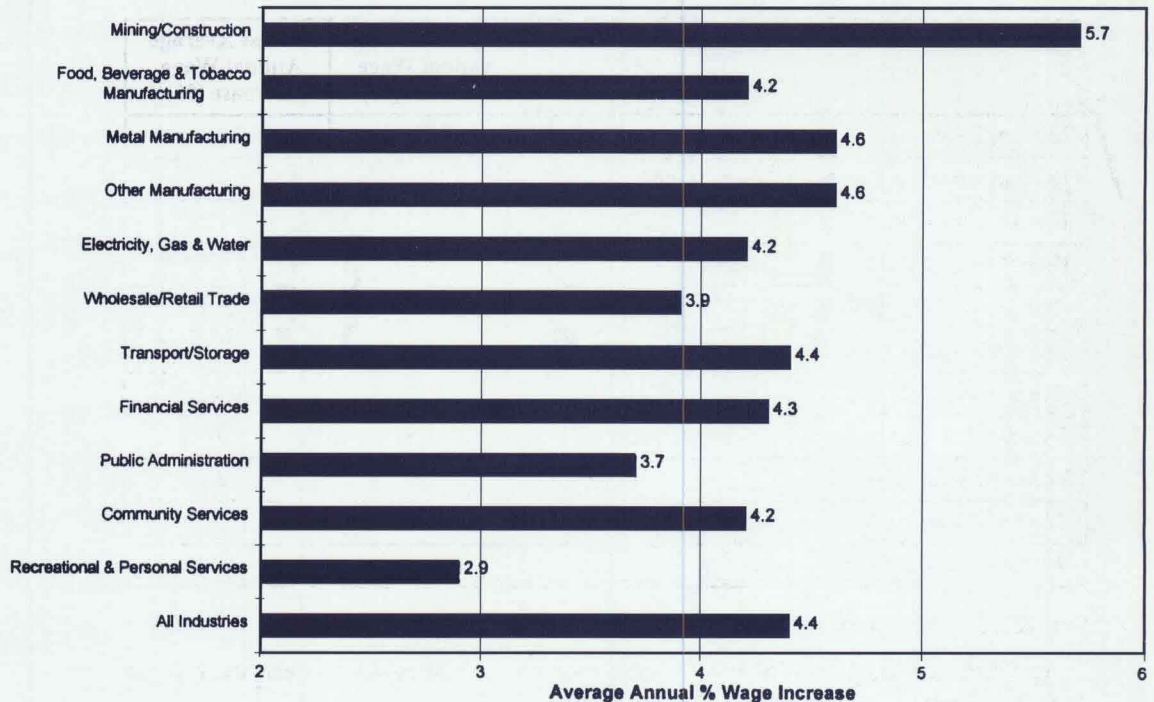


Source: ADAM Database, 1999

## Wage Increases in Current Agreements

The trends for agreements currently in operation (those which had not reached their nominal expiry date as at end of December 1998) are similar. The average annual wage increase for currently operating agreements remains at 4.4%. The recreational and personal services industry provides for the lowest average wage increase (2.9%) while the mining/construction industry has almost doubled this for the same period (5.7%).

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



Source: ADAM Database, 1999

Note: Current agreements include all agreements which have not reached their stated nominal expiry date as at end December, 1998

## Wage Dispersions

Table 1.1 highlights the extent of average annual wage increases and the dispersion in currently operating agreements. The table shows that average annual wage outcomes as high as 24% have been granted in the mining/construction industry and metal manufacturing while the same industries provides for an average wage increase of 0.7% per year.

**Table 1.1: High and Low Average Annual Wage Increases in Current Operative Agreements, by Industry**

Industry	Highest Average Annual Wage Increase (%)	Lowest Average Annual Wage Increase (%)
Mining/Construction	24.0	0.7
Food, Beverage & Tobacco Manufacturing	10.4	1.0
Metal Manufacturing	24.0	0.7
Other Manufacturing	15.0	0.6
Electricity, Gas & Water	15.0	1.0
Wholesale/Retail Trade	10.9	1.1
Transport/Storage	15.0	1.0
Financial Services	22.5	0.7
Public Administration	9.6	0.3
Community Services	22.0	0.7
Recreational & Personal Services	6.0	0.3

Source: ADAM Database, 1999

Note: Current agreements include all agreements which have not reached their stated nominal expiry date as at end December, 1998

## High Wage Agreements

The *ADAM Report* examined a selection of high wage increase agreements and found that, in many cases, pattern bargaining was an obvious trend. In some cases, up to eight enterprise agreements provided for the same wages outcomes and employment conditions. Several agreements provided for high wage increases in return for a loaded rate where most allowances were absorbed. In other cases, wage increases were paid on the achievement of certain goals, or in return for more flexible hours arrangements, or when certain performance targets were met (see Table 1.2 for details).

Table 1.2: Key Features of Recent High Wage Increase Enterprise Agreements

Industry	Key Provisions
Equipment Hire (AAWI 11%)	<ul style="list-style-type: none"> <li>Wages are linked to productivity commitments, but they are not at risk.</li> <li>The agreement includes various flexibility measures — increase in spread of hours, RDO flexibility, variable site starts and equipment maintenance by crews during down time.</li> <li>Wage increase paid over two periods over 1 year.</li> </ul>
Education (AAWI 10.46%)	<ul style="list-style-type: none"> <li>12% wage increase paid over two years. 7% is at risk.</li> <li>Conditions of at risk wage increase include the achievement of KPI's covering reductions in overtime, casual hours and waste time.</li> <li>Salary costs to be reduced through use of 48/52 scheme.</li> </ul>
Storage services (AAWI 6%)	<ul style="list-style-type: none"> <li>Increase of 12% over two years granted.</li> <li>New rate incorporates tool allowances, supplementary payments and any over award payments.</li> </ul>
Manufacturing (AAWI 22%)	<ul style="list-style-type: none"> <li>22% increase granted over 12 months.</li> <li>This figure is composed of two 4% increases, and a 14% increase paid at the same time as the second 4% increase.</li> <li>The 14% increase is due to the incorporation of a \$2.50 per hour company allowance. This allowance is defined as an 'all purpose rate'.</li> <li>This agreement was one of several that were struck with manufacturing companies during the quarter.</li> <li>The two 4% increases were negotiated under two general union strategies: <ol style="list-style-type: none"> <li>A policy of seeking high wage increases in a climate of high labour demand due to the construction projects arising out of the Olympic Games.</li> <li>A principle being pursued by the AMWU of obtaining comparative wage justice for workers to keep in line with executive salary increases.</li> </ol> </li> <li>The AMWU has negotiated these wage increases in several other industries, for example labour hire services, civil engineering &amp; construction.</li> </ul>
Road freight (AAWI 6.94%)	<ul style="list-style-type: none"> <li>New rate of pay absorbs penalty rates, overtime payments and allowances.</li> <li>Increase of 13.3% in 23 months in one increase mainly as a result of the absorption(s).</li> </ul>
Construction (AAWI 6.55%)	<ul style="list-style-type: none"> <li>6% increase granted over 11 months in two 3% increases.</li> <li>Spread of work hours increased beyond the scope of the award to 12 hours per day and allowances absorbed.</li> <li>Agreement negotiated in consultation with employees and includes a commitment to quality assurance, restructuring, redeployment in inclement weather but are not at risk.</li> <li>Productivity increases are to be obtained by decreasing absenteeism and restrictive work practices.</li> <li>This agreement was one of several that were struck in the construction industry during the quarter.</li> </ul>
Health Centres (AAWI 6%)	<ul style="list-style-type: none"> <li>12% over 2 years in 3 payments.</li> <li>1st payment 5% guaranteed.</li> <li>2nd increase dependent on employee participation in "Career Structure Review".</li> <li>3rd payment dependent on reduction of absenteeism by 5% plus compliance with best practice KPI's.</li> <li>This agreement was one of three that were struck with similar health centres.</li> </ul>

Source: ADAM Database, (1999)

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

## Federal AWAs

Latest figures from the OEA show that at the end of January 1999 a total of 50,455 individual AWAs had been approved, covering over 1,200 employers Australia wide. Table 1.3 shows the rate of increase in AWAs since their introduction in 1997.

**Table 1.3: Number of Federal AWAs, by Quarter, 1997-1998**

As at the end of:	Total No. of AWAs Approved	No. of Employers Covered by Approved AWAs	Percentage Change (%)
September 1997 quarter	1,281	79	—
December 1997 quarter	4,393	225	285
March 1998 quarter	10,790	425	189
June 1998 quarter	22,471	700	165
September 1998 quarter	34,426	899	128
December 1998 quarter	45,089	1,163	129
End January 1999	47,491	1,228	105
End February 1999	50,455	N/A	

Source: Office of Employment Advocate, Monthly Releases, (July 1997 — January 1999)

## Wage Trends in AWAs

An analysis of the first 163 federal AWAs by ACIRRT reveals some interesting results. When examining the duration of these AWAs, over one-half (52%) specified a term of 3 years, and one-quarter (25%) ran for between 1 to 2 years.

One-quarter (27%) of all agreements provided for wage increases during the life of the agreement. More specifically of the 85 agreements which ran for a term of 3 years, only 22% provided for wage increases during the life of the agreement.

Overall of the AWAs examined and in operation as at the end of December 1998, the average annual wage increase was 3.3%. This is 1.1% lower than wage increases granted for enterprise agreements (4.4%) in the same period. Table 1.4 shows that of the current AWAs, the public sector provided for higher wage increases than the private sector (3.6% and 2.8% respectively). Annual wage increases in currently operating AWAs ranged from a low of 0.33% to a high of 9.38% per annum.

Table 1.4: Average Annual Wage Increases in Current Operative AWAs

	AAWI (%)
All Current AWAs	3.3%
Public Sector	3.6%
Private Sector	2.8%

Source: ADAM Database, 1999

Note: Current AWAs include those which have not reached their stated nominal expiry date as at end December, 1998

An analysis of the wage provisions in AWAs demonstrated that 11% linked wage increases to performance improvement measures such as the meeting of certain performance indicator targets and productivity improvements. There were also several instances where the intention to provide wage increases was present, however the quantum was not specified simply because it was determined by the employees annual performance appraisal. 11% of AWAs also provided for annualised wages where some or all of the allowances, penalty rates, overtime and annual leave loading were absorbed into an annual or hourly rate. Despite the relatively low number of workplace agreements which provided for wage increases, other remuneration benefits were used. For example, performance related pay (eg. Bonus payments, gain share, profit share, individual performance pay) was evident in over one-quarter (28%) of AWAs, thus providing employees with the opportunity for additional earnings.

Future issues of the *ADAM Report* will analyse wage trends in AWAs greater detail.

The ADAM Database currently has information on 5842 registered enterprise agreements from the Federal, New South Wales, Queensland, South Australian and Western Australian jurisdictions. The ADAM Database now also holds information on federal Australia Workplace Agreements (currently 163).



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## INNOVATIVE CLAUSES

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*This edition of the ADAM Report is the first to include innovative provisions in enterprise agreements and federal Australian Workplace Agreements (AWAs). Future issues will continue to monitor developments in AWAs.*

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### PERFORMANCE INCENTIVE SCHEMES

The continuing issue of the work effort bargain has often been addressed by linking remuneration to performance. In the following agreement the incentive to work effectively and more productively is rewarded at both the group and the individual levels. This example is notable because it not only rewards individual employees for their performance, but also recognises team effort by providing a team incentive.

#### CUSTOMER SERVICE INDUSTRY

##### **"APPENDIX 2 — [COMPANY] INCENTIVE SCHEME**

#### Scheme Objectives

- To focus co-workers on achieving the Centre's objectives
- To increase performance standards
- To foam company rewards on high performers
- To help create a performance culture
- To help attract and retain high performance co-workers motivated by working in a performance culture

#### Key Principles of the Scheme

There are two components to the Scheme:

- Individual
- Team

#### Individual Incentive

This incentive is paid based on the following:

- The Individual Incentive constitutes 80% of the total incentive available.
- [Company] budget is broken down into relevant weekly targets for each co-worker.
- The focus of the Individual Incentive is on Effectiveness and Productivity.
- Payment is made on a sliding scale from 80-100%. If the Individual achieves anything over 80% of the Individual Target, they will start to obtain a percentage of their Individual Incentive. If they achieve 100% of their Individual Target, they will receive 100% of their Individual Incentive. If they achieve over 100% of their Individual Target, they will have the opportunity to earn at a higher rate (details below).
- Individuals performing at 80% or under their weekly target will not receive an Individual Incentive, although they may have the opportunity to qualify for the Team Incentive (see below).
- Payment for the Individual Incentive is made fortnightly, with the exception of co-workers in Customer Retention where the customer 'stick rate' has to be assessed prior to any Incentive being paid.
- Individual Incentives will only be paid for the achievement of targets by the Individual.

#### Team Incentive

This incentive is paid based on the following:

- The Team Incentive constitutes 20% of the total incentive available.

- The Team Incentive is drawn from a pool which is determined by team members' individual achievements.
- [Company] budget is broken down into relevant monthly targets for each team.
- The focus of the Team Incentive is on income received by the Company.
- Team Incentives are paid to all team members regardless of personal achievement in order to motivate and encourage all team members to contribute to the performance of the team.
- Payment is made based on the team achieving 100% of their target.
- Payment will be distributed to all co-workers who worked in the team that month based on the number of hours spent in the team.
- Teams performing at under 100% of their target will not receive the Team Incentive.
- Payment for the Team Incentive is made monthly.

### Workforce Flexibility

To reinforce the flexibility of the workforce in the Centre and retain parity between each area of the Centre, each co-worker has the opportunity to claim the same incentive, regardless of which area they work in, although targets will differ between functions and teams.

### When are Incentives Paid and at What Rate?

Once co-workers have achieved their 'Threshold' target for the week, the payment of Incentive is triggered. If the Individual achieves their 'Target' for the week then they will receive 100% of their Individual Incentive. If the Individual achieves between 'Threshold' and 'Target', then a sliding scale of Incentive is paid.

Co-workers exceeding 100% of their target have the opportunity to increase their Individual

Incentive payment and their contribution to the Team Pool. Payment for over achievement of target is 'ramped up' to enable co-workers in this category to double their earning rate.

The maximum incentive payment that can be received by a co-worker in the Centre during any one payment period is treble the base incentive. Refer to the details below in Incentive Payments.

### Incentive Payments

Incentive Payments are based on a sliding scale.

#### Base Incentive

\$3,000 per annum paid on the achievement of Individual and Team targets. This equates to the opportunity to earn \$2,400 on the Individual Incentive Scheme and \$600 on the Team Incentive Scheme.

#### Double Incentive

An additional amount of up to \$3,000 per annum can be achieved if the Individual and the Team achieves 50% more than the Threshold Target versus the Target Rate. In the event that the Individual (not the Team) achieves this, they will receive \$2,400 on top of their Base Incentive.

#### Treble Incentive

An additional \$3,000 per annum can be achieved if the Individual and the Team achieves 100% more than the Threshold Target versus the Target Rate. In the event that the Individual (not the Team) achieves this, they will receive \$2,400 Base Incentive plus \$2,400 Double Incentive plus \$2,400 Treble Incentive.

This means that the maximum Individual Incentive that a co-worker can claim in one year is \$7,200 and the maximum Team Incentive that a co-worker can earn in one year is \$1,800. The total maximum Incentive that can

be achieved by a co-worker in the Centre is, therefore, \$9,000."

The process of improving an organisation also relies upon improving the work of the individual employees. Many organisations implement performance appraisal systems which inform management of workers efficiency. However, the worker gains little from this process — the learning is only one way in this situation. The provision for feedback to workers from performance appraisals is essential to improving their performance as in the following agreement.

#### GOVERNMENT ADMINISTRATION

##### "14. PERFORMANCE FEEDBACK SCHEME

14.1 The parties to this Agreement acknowledge that the [Organisation] requires a high level of skill, adaptability and teamwork within its office to maintain and improve the ability to conduct effective operations.

14.2 In keeping with the commitments to value staff and foster a culture of continuous improvement, the parties agree to develop and implement a performance feedback scheme for staff covered by this Agreement.

14.3 Performance feedback is an on-going process that is both formal and informal. Supervisors should set goals and performance measures that are realistic and clearly understood, and ensure that staff are given ongoing feedback on how they are performing.

14.4 It is the responsibility of supervisors to ensure that they inform staff within their Section of the nature and standard of work that is expected.

14.5 The performance feedback scheme shall have as its objectives:

- assisting staff to develop and maintain effective performance, both within their work teams and across the [Organisation]; and

- ensuring that each staff member is trained to meet any changing requirements of their job.

14.6 The performance feedback scheme shall operate under the following broad parameters.

(i) The annual period for performance feedback shall generally commence on 1 April.

(ii) A work plan for each staff member outlining responsibilities, performance indicators and a training and development plan, shall be completed annually at the time of assessment.

(iii) Formal feedback discussions on work plans agreed between each staff member and their supervisor shall be held at least twice each year, covering:

- work performance and contribution, both individually and as part of a team; and
- training and development needs (including career development).

14.7 The formal feedback discussion in March each year shall focus on an assessment of the staff member's contribution to the [Organisation's] objectives and shall include a self-assessment by the staff member.

14.8 The performance feedback scheme shall support the skills and responsibilities component of the remuneration framework of this Agreement by providing the basis for assessment of an officer's salary point within the classification band.

14.9 The performance feedback scheme shall be implemented no later than 30 September 1998 or within a month of this Agreement being certified, with the first cycle completed before 31 March 1999.

14.10 A program of performance management training, including training for supervisors and staff in the giving and receiving of performance

feedback, shall be undertaken before the scheme is implemented.

14.11 By no later than 30 June 1999, the [Manager] ... shall review the operation of the performance feedback scheme and the suitability of the scheme in achieving the objectives of this Agreement."

### **EMPLOYMENT CONDITIONS FOR CASUAL WORKERS**

The rise of casualisation has provided workers and especially employers with a great degree of flexibility. This, however, is counter-balanced by a loss in job security for employees and a less committed workforce. Some organisations are attempting to ease the disadvantages posed by insecurity while others prefer the flexibility spin-offs and continue to entrench the divide between full and part-time jobs and casual, fixed term and temporary jobs. The following provisions are examples of both instances. Firstly an example is given of a case where the employer and union have negotiated a greater entitlement to rights for casual workers, by including access to redundancy payments, superannuation, long service leave and accident insurance.

#### **CONSTRUCTION INDUSTRY**

##### **"13 CASUALS**

13.1 Casuals will be paid a minimum of 4 hours per day and the ordinary wage rate shall be in accordance with the rates for the classification set out in Appendix A plus the 20% loading. They shall also receive redundancy, superannuation, long service leave and Top-Up-24 Hour Income Accident Protection Insurance in accordance with this agreement.

13.2 Engagement as a casual shall not continue for a continuous period beyond 4 weeks from the date of engagement. Provided that by agreement, between the Union Branch Secretary (or the Branch Secretary's agent) and the company, the period of engagement may be

extended up to a period not exceeding 13 weeks where the casual is replacing an employee who is absent from work due to any type of leave prescribed by the Award, long service leave, unpaid leave, an injury for which worker's compensation benefits are being paid, or to meet specific work projects. Provided further that such agreement shall not be unreasonably withheld.

13.3 Arrangements by the company or employees designed to deliberately break the continuity of casual employment will not be accepted as breaking such continuity. Any continuous employment beyond 4 weeks from the date of engagement, where no agreement has been reached with the Branch Secretary shall be treated as weekly employment.

13.4 This sub-clause shall not be used to reduce existing levels of weekly hire employees and as far as practicable shall not affect the skill development or earning opportunities of weekly hire employees.

13.5 Where appropriate, before any casual crane operator is engaged work must first be offered to suitably qualified and experienced:

13.5.1 weekly hire crane drivers working as riggers/doggers; or

13.5.2 weekly hire riggers/doggers where qualified to operate cranes.

13.6 As far as possible all overtime shall in the first instance be offered to weekly hire employees.

13.7 A current casual employee may apply for a weekly hire position should a vacancy occur and, subject to being able to perform the duties required to fill the vacancy and all other things being equal, shall have preference of employment for the vacant positions."

On the other hand, the following agreement widens the gap in wages and conditions between what are referred to as "peripheral",

that is, casual and part-time employees, and "core" or full-time employees. The core employees receive a 12% wage increase over the life of the agreement and the peripheral employees receive only 6%. In addition, core workers enjoy greater access to overtime, promotions and training, and the rights to redundancy payments and superannuation, while casual employees have no access to any of these employment conditions. The following agreement represents one example of how the division is made.

### **STEVEDORING/STORAGE**

#### **"Clause 6 — Definitions and Conditions**

##### **6.3 Core Employees**

6.4.1 Core employees are management selected and appointed key employees employed on a full-time ongoing basis to keep the Terminal operating efficiently. ...

6.4.1 It is agreed that the ultimate objective is for the Core Employee workforce to consist of Level 4 and Level 5 Terminal Operators, at least Level 3 Clerks, and tradespersons with a minimum National Metal and Engineering competency standard of C10 or equivalent. Initially there may be Core Employees at lower levels but they will have a commitment to increase their skill levels to the minimum required. [The organisation] will be committed to provide training that allows each Core Employee to achieve the above minimum levels within six months of this agreement being ratified. Where minimum levels are not achieved within 18 months, through any voluntary failure by an employee to attend training that is provided or to competently complete training that is provided then he / she will move back into the Support Group....

##### **6.4 Support Employees:**

6.4.1 Support Employees are part-time employees with a minimum commitment of six months work, the equivalent to 1040 ordinary

hours. They are selected and appointed by terminal management on the basis of individual skills and merit to augment the Core Employees in fulfilling their duties and the operational efficiency of the terminal. As a result the previous 15 months continuous service rule for permanency will no longer apply in relation to Support Employees. They are flexible, multi-skilled, and are committed to providing a superior quality and cost-effective service in the storage, handling, and transport of bulk grain and other commodities. Support employees will be encouraged to participate in training that allows them to reach higher levels of skill....

##### **6.5 Casual Employees:**

6.5.1 Casual employees are engaged on an hourly contract of hire with a minimum of 4 hours per shift and shall be paid in accordance with those rates for casual employees outlined in Appendix 4 which includes 20% loading."

### **FLEXIBLE LEAVE ARRANGEMENTS**

#### ***Employment During Leave***

The needs of working mothers and fathers continue to feature in enterprise agreements and Australian Workplace Agreements. Most agreements provide for 52 weeks unpaid maternity and paternity leave. However, income during this important period is heavily reduced. The following agreements provide the opportunity for the nursing mother or father to return to work on either a casual or part-time basis, thus ensuring some level of income and contact with the workplace during this time.

#### **LOCAL GOVERNMENT ADMINISTRATION**

##### **"43. WORKING WHILST ON MATERNITY/PATERNITY LEAVE**

It is agreed that an employee, who is on either maternity or paternity leave (or adoption leave) will be allowed to work casually despite being on maternity leave. The decision to allow the

employee to return to work will be based on the needs of the supervisor with the endorsement of the Director of the division. The work pattern (ie., whether one day per week, a few hours per day or for a block period of one or two weeks) will be in accordance with the needs of the Division. If the employee on maternity, paternity or adoption leave is being replaced by a maternity relief replacement employee, this person will not be affected by the return of the employee working casually.

It is agreed that an employee can request payment for the time worked or the employee can accrue days in lieu which can then be taken once they return to work permanently. It is agreed that the days in lieu accrued on this basis can be up to 10 days in total and the leave will be used to care for family in the future. If an employee works more than 10 days then the additional days (over 10) will be paid at casual rates of pay. Should an employee resign after accruing these days in lieu, the accrued days will be paid on resignation (or may be paid out after four years)

#### **CUSTOMER SERVICE INDUSTRY**

##### **"D. PART-TIME WORK OPPORTUNITIES...."**

###### (ii) Entitlement

With the agreement of the Company:

- (a) A male Employee may work part-time in one or more periods at any time from the date of birth of the child until its second birthday, or in relation to adoption, from the date of placement of the child until the second anniversary of the placement.
- (b) A female Employee may work part-time in one or more periods while she is pregnant where part-time employment is, because of the pregnancy, necessary or desirable.
- (c) A female Employee may work part-time in one or more periods at any time from the

seventh week after the date of birth of the child until its second birthday.

(d) In relation to adoption, a female Employee may work part-time in one or more periods at any time from the date of the placement of the child until the second anniversary of that date.

###### (iii) Return to Former position

(a) An Employee who has had at least twelve (12) months continuous service with the Company immediately before commencing part-time employment after the birth or placement of a child has, at the expiration of the period of such part-time employment or the first period, if there is more than one, the right to return to his or her former position.

(b) Nothing in sub-paragraph (a) above will prevent the Company from permitting the Employee to return to his or her former position after a second or subsequent period or part-time employment....

###### (v) Pro Rata Entitlements

Subject to the provisions of this Sub-Clause and the matters agreed to in accordance with paragraph (iii) below, part-time employment will be in accordance with the provisions of this Agreement which will apply pro rata.

###### (vi) Transitional Arrangements — Annual Leave

(a) An Employee working part-time under this Sub-Clause will be paid for and take any leave accrued in respect of a period of full-time employment, in such periods and manner as specified in the Annual Leave provisions of this Agreement, as if the Employee were working full-time in the class of work the Employee was performing a full-time Employee immediately before commencing part-time work under this Sub-Clause.

(b) 1. A full-time Employee will be paid for and take any Annual Leave accrued in respect of a period of part-time employment under this

Sub-Clause, in such periods and manner as specified in this Agreement, as if the Employee were working part-time in the class of work the Employee was performing as a part-time Employee immediately before resuming full-time work.

2. Provided that, by agreement between the Company and the Employee, the period over which the leave is taken may be shortened to the extent necessary for the Employee to receive pay at the Employee's current full-time rate.

(vii) Transitional Arrangements — Sick Leave

An Employee working part-time employment under this Sub-Clause will have Sick Leave entitlements which have accrued under this Agreement (including any entitlement accrued in respect of previous full-time employment) converted into hours. When this entitlement is used, whether as a part-time Employee or as a full-time Employee, it will be debited for the ordinary hours that the Employee would have worked during the period of absence.

(viii) Part-time Work Agreement

(a) Before commencing a period of part-time employment under this Sub-Clause the Employee and the Company will agree:

1. that the Employee may work part-time;
2. upon the hours to be worked by the Employee, the days upon which they will be worked and commencing times for the work;
3. upon the classification applying to the work to be performed; and
4. upon the period of part-time employment.

(b) The terms of this agreement may be varied by consent.

(c) The terms of this arrangement or any variation to it will be reduced to writing and retained by the Company. A copy of the

agreement and any variation to it will be provided to the Employee by the Company.

(d) The terms of this agreement will apply to the part-time employment."

### **Unlimited Sick Leave**

Sick leave arrangements are nearly always short term in nature. This probably reflects the fact that sickness often lasts a few days. The following sick leave provision takes the possibility of long term sickness into account.

#### **MINING INDUSTRY**

##### **"Sick Leave**

In the event of illness or injury, sick leave will be granted in accordance with Company Policy outlined below subject to the provisions of the salary continuance insurance policy being met.

For **short-term absences** from work due to illness or injury, no fixed period of sickness absences applies. Managers shall treat each case on its individual merits. Payment will be at your Normal Salary rate.

Where an employee has a serious illness or injury which causes **regular but intermittent absence** from work, the Company will provide paid sick leave at a rate of 100% of Normal Salary for a total of six (6) months leave of absence or until the individual employee's sick leave accrual is exhausted, whichever is greater. Payment for absences beyond this period will be at the discretion of the Company.

For long-term illness or injuries, the following entitlements to sick leave apply.

For the first six (6) calendar months of illness or injury, the employee shall be provided with paid sick leave at 100% of the Normal Salary in accordance with the following:

- For the first three (3) months of illness or injury, the Company shall provide paid sick leave. This covers the full exclusion period before the salary continuance insurance policy

becomes applicable under the Accumulation section of the Staff Superannuation Plan.

- From the beginning of the fourth month to the end of the sixth month, employees shall be entitled to 100% of their Annual Salary; 75% of which is funded by the Insurer under the Total Temporary Disablement Benefit, and 25% of which is funded by the Company.
- If the illness or injury persist beyond this six month period, the employee shall be entitled to salary continuance of 75% of their Annual Salary (funded entirely by the Insurer) for a period not exceeding twenty-four (24) months from the end of the TTD exclusion period.

Where employees have **accrued sick leave entitlements**, these shall be debited to fund the 25% Company supplement from months four to six. If the illness or injury continues beyond six months, the employee may request payment of supplemental income (to the extent of 25% of the Normal Salary) which will, in turn, be debited against the remaining sick leave.

Employees are expected to **notify their immediate supervisor** of their absence and its expected duration before commencement of the absence.

Employees shall complete a **Sick Leave Application Form**, either prior to taking sick leave or upon return from sick leave, whichever is appropriate.

Employees may also be required to **provide evidence** (eg medical certificate) of the nature of the illness or injury, at the discretion of their immediate supervisor or the insurer. The employee is required to comply with reasonable requests by the Company regarding establishing the genuine nature of illness or injury. A refusal or failure to satisfy the Company or insurer of the genuine nature of the illness or injury will result in the cessation of sick leave payments.

**Sick leave payment** is made at the same time as your normal monthly pay.

Payment in advance for such sick leave is not available.

Sick leave required as the result of a **work-related illness or injury** (and therefore covered by Workers' Compensation) will be administered in accordance with the provisions outlined in this document. An employee receiving Workers' Compensation payments related to regular income\* shall assign them to the Company.

\* This condition specifically excludes lump sum compensation payments.

Similarly, any employee eligible to **claim from a third party** an amount for loss of earnings, is required to make such a claim and to repay to the Company the equivalent of the amount paid sick leave recovered from the third party.

While an employee is on **parental leave**, she/he is not eligible for sick leave."

## LABOUR FLEXIBILITY

Workplaces are often unwittingly affected by work stoppages. The result is usually a 'no-win' situation where the loss to employers and employees is costly. In lieu of these 'no-win' situations, arrangements can be made which offer a degree of flexibility mainly for the employer but also for employees. The following agreement is an example of how employers can use employees in a flexible manner in cases of work stoppages in order to allow continuous employment and maintain some form of continuous operations.

### WATER SUPPLY SERVICES

#### "24. FLEXIBLE USE OF EMPLOYEES

24.1 In the event of an incident or situation having an impact on the [Company's] ability to continue the delivery of services or part thereof such as any strike, breakdown of machinery or



any stoppage of work or any cause for which [the Company] cannot be reasonably held responsible, [the Company] shall endeavour, over a 4 hour period starting from the time that [the Company] becomes aware of such incident or situation, to temporarily redeploy employees who cannot be usefully employed in their normal duties to another area ...

Where an employee cannot be temporarily redeployed then he/she must choose from the following:

- take time in lieu owing to them;
- take RDO's in credit;
- use any annual leave entitlements; or
- take leave without pay.
- any other option agreed between the parties.

Any time lost by taking leave without pay does not break the continuity of employment of the employee for the purpose of any entitlements.

In the event that the delivery of services recommences during the day on which the incident or situation occurs, and employees are required to return to duty, and they do so, there will be no time lost recorded."

Outsourcing continues to grow as an important issue in the Australian labour market. One of the most negative effects that outsourcing can have is forced redundancies. In an attempt to deal with this issue the following agreement explores the potential for redeployment of the employee, from the original employer to the contracted firm. Included is a form to be filled in by interested employees.

**LOCAL GOVERNMENT ADMINISTRATION**

**Confidential**  
**Expression of Interest for**  
**Employment with Contractors**

In instances where in-house services are lost to an external contractor, [the Company] is committed to assisting staff in finding continued employment with the successful contractor.

In these circumstances, it will be necessary for you to advise [the Company] of your intentions to take up or reject the offer of assistance. If you accept the offer of assistance by [the Company] then your attention is drawn to clause 21 of the [agreement] (Refer attached). You can elect not to continue with the process at any time up until the contractor commences the contract.

Name: .....

Section: .....

Date: .....

I wish to express an interest in management assisting me finding employment with the contractor.

Yes       No

(Please place a tick in the appropriate box.)

This does not limit your opportunity to seek redeployment and retraining with [the Company].

Signature: .....

Date: .....

**This form is to be forwarded to the Personnel Manager.....**

The demands placed upon some businesses and local councils in the Sydney area for services in the lead up to the 2000 Olympic Games are increasing. Some firms have

attempted to cover the potential needs of the business during this time, for example by restricting the taking of leave by employees around this time.

## WATER SUPPLY SERVICES

### "13 YEAR 2000 OLYMPICS

13.1 The parties recognise the significance of the 2000 Olympic Games to the global and economic reputation and future of NSW and its government. As employees of the government, and a contributor to the staging of the Olympic Games, the staff and unions are committed to ensuring the success of [the Employer's] role during the Olympic Games.

13.2 To this end, the parties agree that all staff resources will be available and functions and operations will be maintained without delay during and for a period of two months prior to the Olympic Games. Further, during this period (July to September 2000), staff will make themselves available to undertake any role, within their skills and competence, including the undertaking of duties of other staff required on Olympic Games activities.

13.3 The parties agree to develop, by April 1999, in the context of existing policies, guidelines for the relieving allowances and reimbursement of reasonable and appropriate travel, accommodation and incidental expenses incurred by staff participating in activities associated with the Olympic Games and the arrangements for additional hours accrued during the Olympic Games.

Further, no leave will be granted to staff for the time of the Olympic Games, except on compassionate grounds."

The growth of multi-skilling in Australian workplaces has developed jobs with greater diversity and complexity, thus creating potentially more satisfying work. In an effort to further enhance work satisfaction, Queensland-based agreements particularly, have tended to include provision for "multi-hiring". The following agreement allows full time employees to take on a second job with the

same employer, even if it falls within the same classification, so long as the duties are performed on separate engagements.

## SPORTING OPERATION

### "2.5 Multi-Skilling

In recognition of the operational and efficiency requirements of the [Employer] and to create more varied, better paid and interesting work, it shall be a condition of employment, subject to appropriate training and competency, that each employee shall be available to work as required on any work within his or her skills competence and training consistent with the classification structure of this Agreement (subject to prevailing statutory requirements) and that each employee shall acquire the skills and learn any other job as directed and shall provided instruction and/or training as appropriate to another employee as required.

### 2.6 Multi-Hire

Permanent employees may choose to be engaged on an alternate basis as a casual employee on any of the 6 ordinary working days per week on the following conditions:

- a) The work to be performed on the separate engagement on Monday to Fridays is not within the duties and functions of the employees concerned albeit that the work may still fall within the same classification level.
- b) The separate engagement enables the employee to attain additional skills and experience, and where necessary, training or qualifications.
- c) The separate engagement is at the instigation of the employee and subject to mutual agreement between the employee and the Club.
- d) The alternate casual engagement will be paid at the appropriate casual rate for the work performed under that arrangement.

e) Health and safety considerations will be assessed by the employer before employees are multi-hired to ensure that risks are minimised."

The inclusion of employees in the process of improving the operations of an enterprise is important. Worker involvement can offer a unique, and potentially, rewarding perspective. To encourage the involvement of workers the following agreement has offered the possibility of financial rewards for exceptional contributions.

#### **STEVEDORES/STORAGE**

#### **"Clause 28 — Recognition for Exceptional Improvement Achieved by Employee Suggestion**

28.1 The Company will review on a case by case basis rewarding individual employees or a team of employees for their extraordinary, unique and innovative idea(s) that have been implemented to make a significant (step change) improvement in Company work practice(s), efficiency and productivity.

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

28.3 Apart from personal recognition, individual employees and employee teams may receive a monetary reward based on the significant gain achieved by the Company on implementing the suggestion."

#### **TRAINING PROGRAMS**

Progressive and thorough training provisions seldom feature in enterprise agreements and where they do they tend to briefly discuss the issue. Unlike the following agreement, it is even more unusual for an employer to voluntarily penalise itself for not training its workers. The following agreement obliges the employer to pay their workers at a higher

grade even if that employee has not yet been trained for such duties, thus placing the onus on the employer to upskill its workforce and ensure they have the competency to perform their duties.

#### **WINE MANUFACTURING**

##### **"15. TRAINING**

[The Company] is committed to training and assessing all employees covered by the Award to attain Grade 2 or Grade 3 classification as per Award requirements. All such employees will, together with their immediate supervisor, develop an agreed written training plan. Upon successful completion of that training plan, which includes a successful assessment of competency, the employee will be promoted to that Grade.

If the company fails to honour the timing of the agreed training plan then, as an interim measure, the company is prepared to pay an employee at the higher grade, subject to the employee agreeing to continue the training plan. Upon completion of the training and a successful assessment of competency, the employee will maintain the grade on a permanent basis.

Failure to complete the training, withdrawal from the training plan, or failure to gain competency within the agreed training plan will result in the employee reverting to the lower grade. Employees will still have access to ongoing training in the areas that they are not yet competent.

Employees who do not wish to participate in training will need to inform their immediate Supervisor, in writing, of their intention. All such employees will subsequently remain at their existing grade.

The company is also committed to encouraging all permanent employees to attain Grade 4 level, subject to available vacancies, and will,

on successful completion of that training, pay at Grade 4 rates."

Outlining the links between performance, promotion and training for employees at a workplace and clarifying what is expected of them helps to improve the learning phase. A detailed career path and training program improves the motivation of employees and gives the employee a sense of direction. The following clause is from an agreement which provides a good example of an employer's commitment to training.

### **CUSTOMER SERVICE INDUSTRY**

#### **"19. TRAINING AND DEVELOPMENT**

##### 19.1 Foundation Training

The Company believes that it is critical that all Employees receive the appropriate foundation training on joining the [Company]. All new [Company] Employees will, therefore, receive either training or one to one coaching on [specific] techniques and [inquiry] management skills during their first month of employment....

During the Employee's probationary period, training and coaching will also be provided on [Company] processes, procedures and rental products and propositions.

##### 19.2 Employee Development

The motivation, professionalism and skill of the Employees is paramount to the success of the [Company]. Once Employees have completed their foundation training, a Development Plan is agreed between the Employee and their line manager. This plan is supported by an on-the-job coaching programme which also includes an off-the-job review. This review provides both the Employee and line manager or team support co-ordinator to identify progress to-date and areas for further development.

##### 19.3 Career Development

The [Company] has been structured in a way to provide the optimum level of career development opportunities for Employees.

Level 1 is entry level.

Level 2 provides the opportunity for Employees to become more involved in broader aspects of the business and to start taking on increased responsibility.

Level 3 provides a development opportunity towards management and also enables Employees to participate in all centre activities, staff co-ordination and project management.

From Level 3, Employees can seek to develop towards the Team Support Co-ordinator role within the [Company], or pursue other supervisory opportunities within the ... business.

The responsibilities of each Level are detailed in Appendix 1.

The Team Support Co-ordinator role is the first level management position within the [Company] providing the opportunity to be involved in Employee supervision and development. It also provides the opportunity to contribute to the overall operations and performance of the Centre through being a member of the [Company] management team.

From the position of Team Support Co-ordinator, Employees have the opportunity to develop on within the [Company] to the position of Customer Service Manager and beyond, or to pursue management opportunities within other parts of the ... business.

##### 19.4 Progressing through the Levels

To progress through the Levels, a position at Level 2, Level 3 or Team Support Co-ordinator will need to be available.

Employees will be able to progress through the Levels based on the following three factors:

- Their individual Assessment Centre rating
- Their consistent performance and achievement of KPIs
- Their punctuality, attendance and attitude

All Employees participate in the Assessment Centre prior to joining the [Company] and an initial rating is attained by the Employee at that time. This rating identifies the skill level of the Employee. Details on the core competencies measured by the Assessment Centre are in Appendix 3.

An Assessment Centre will be conducted every six months (April and September) and Employees can apply to their line manager to be assessed for promotion. This assessment will consist of a number of activities and role-plays relevant to the Level that the Employee is applying for. This assessment will assist in determining whether the Employee is ready to progress to the next Level (details of the ratings applicable to each Level are in Appendix 1).

The Employee's level of consistent performance and achievement of targets will also be reviewed to assess how capable the Employee is of performing in their current position. This review will occur through the Performance and Development Review process operated by the Company and the monthly individual target and performance review conducted between Employee and their line manager.

Level 2 and Level 3 Employees provide role-models for employees on Levels below them, it is therefore essential to review the attendance, punctuality and constructive attitude of the Employee requesting progression to the next Level up. Attendance and punctuality records are maintained by the line manager or Team Support Co-ordinator and issues arising from these openly discussed at one on one review meetings.

If, based on the three components detailed above, the Employee is validated to progress to the next Level, their name will be submitted to the [Company] Manager for approval. Once the approval has been given, the Employee's name will be added to a log of employees ready to move to the next Level. This will be maintained by the [Company] Manager and once a vacancy occurs at each Level, the log will be reviewed and an employee identified for promotion. The final decision for promotion will be based on a current review of performance and attendance/punctuality/attitude as detailed above.

In the event that a number of employees qualify for a position, the first person on the list will be given preference (eg, if a person from Assessment Centre 1 in April is on the list, as is a person from Assessment Centre 2 in September and it is now November, the person from Assessment Centre 1 will be selected). If a group of people all passed assessment at the same time and have continued to maintain their performance, etc. the Company reserves the right to conduct a second, more rigorous, assessment in order for selection to be fair and equal."

Training can be used by an enterprise for various reasons, for example in the following stevedoring operation, an industry renowned for its conflictual relations, training is being implemented to help avoid an escalation of industrial disagreements to the level of strike and lockout action.

#### **STEVEDORING/STORAGE**

##### **"Clause 28 — Industrial Training**

[The Employer] will maintain a program of training for [its] employees in the broad issues of industrial relations. The training will include industrial relations issues such as enterprise bargaining, communications and conflict resolution skills. Attendance at the training courses will be during ordinary hours and paid for by [the Employer]. Training will be

discussed and approved by the parties involved.

### **Trade Union Training Leave**

Employees other than casual employees, who are members of a relevant Union and are the

elected shop stewards, shall be allowed leave with pay to a maximum of five days per annum or ten days in two years per Terminal to attend trade union training courses."

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