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**Report**

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## WAGE TRENDS

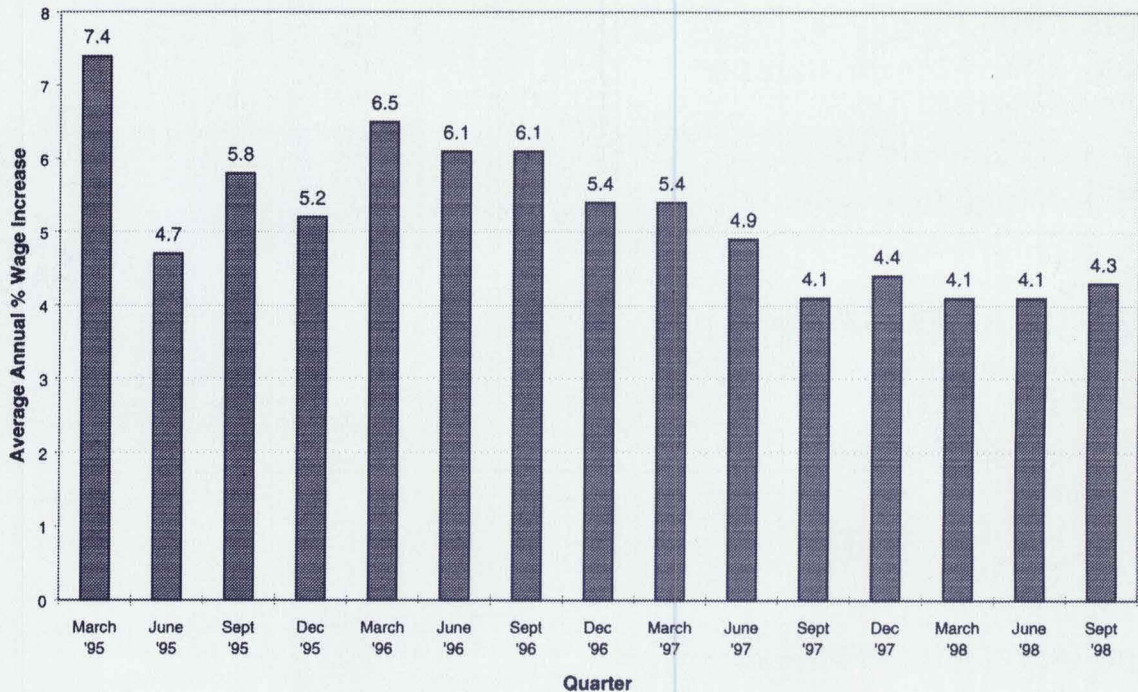
### Wage Increases in September '98 Quarter Agreements

The average annual wage increase for enterprise agreements registered in the September 1998 quarter was 4.3% (per agreement), slightly up from the June 1998 quarter.

### Quarterly Wages Trends

Average wages in 1998 have remained between a narrow band of 4.1 to 4.3 per cent (see Figure 1.1). This in part reflects the reduction in interest rates and low levels of inflation.

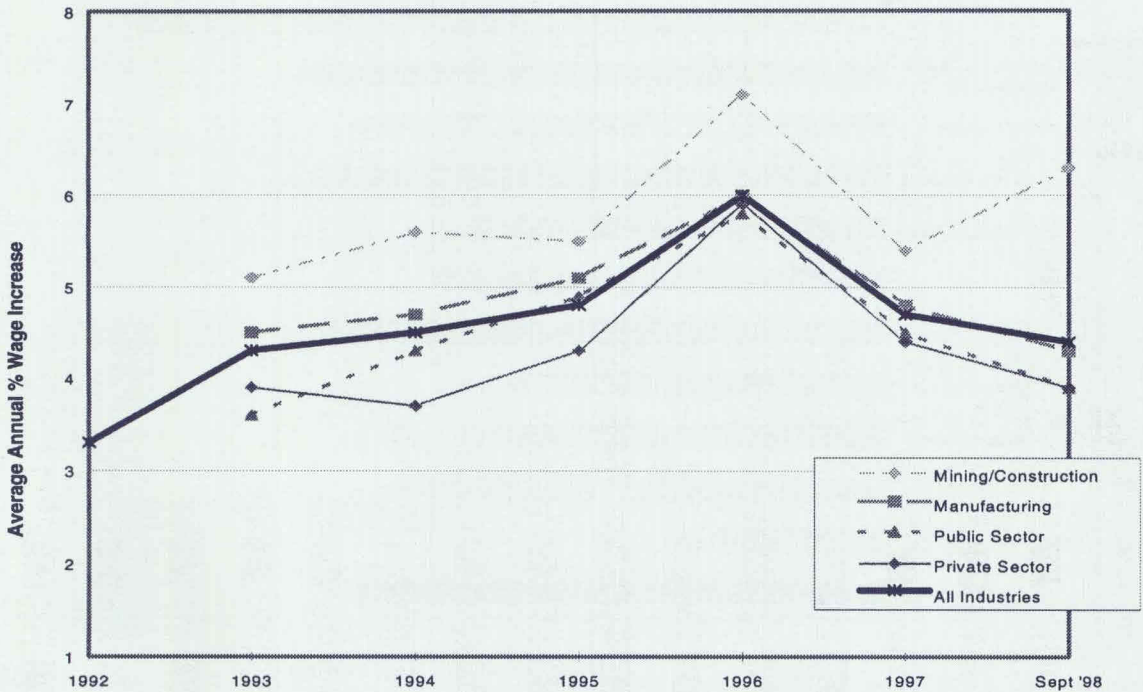
Figure 1.1: Average Annual Wage Increases in Enterprise Agreements: Quarterly Figures, 1995 — 1998



Source: ADAM Database, 1998

An overview of yearly trends, including 1998 to date, confirms a slowing down of wage increases in enterprise agreements. The manufacturing sector has produced wages outcomes in line with the all industry trends over the years, with 1998 marking the first year that the manufacturing industry has fallen below the industry average. The mining/construction sector continues to provide higher than average wage increases. In 1998 to date, wage outcomes in mining/construction diverge considerably with outcomes in other sectors (5.4% to 6.3%). No significant difference in wage increases is noted between the public and private sectors.

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



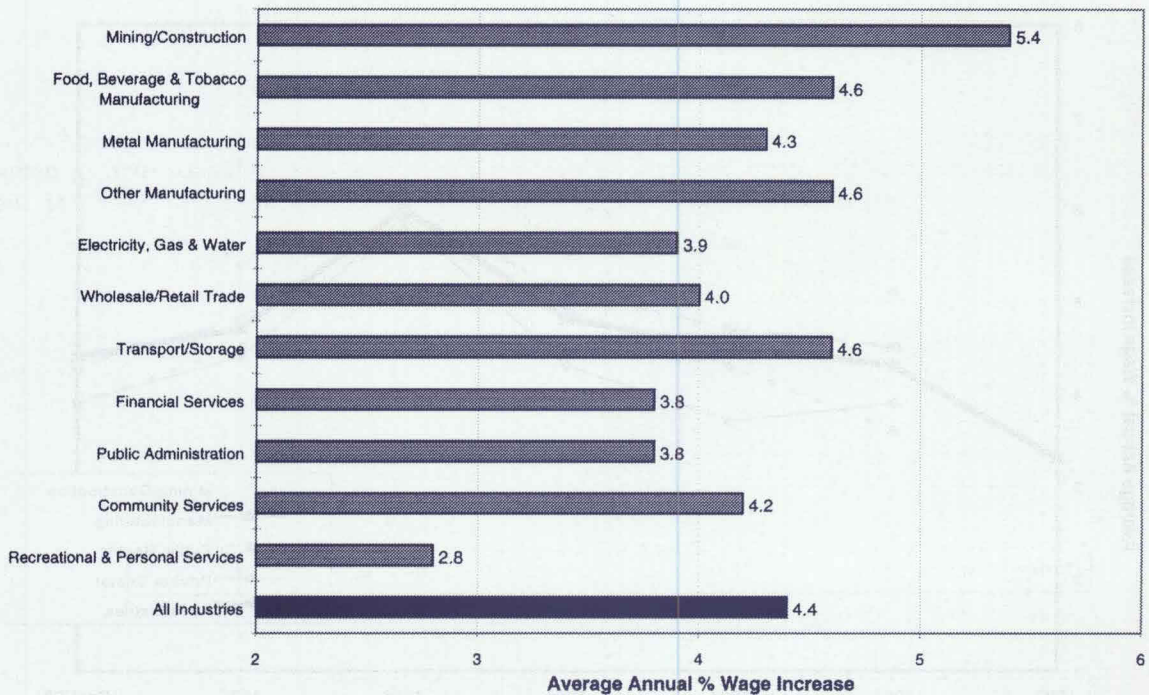
Source: ADAM Database, 1998



## Wage Increases in Current Agreements

The trends for agreements currently in operation (those which have not reached their nominal expiry date as at end of September 1998) tell the same story. Figure 1.3 shows that the average annual wage increase for currently operating agreements is 4.4%, following the quarterly trends closely. Annual wage increases as low as 2.8% were provided by the recreational and personal services industry and 3.8% by financial services and by public administration. The highest annual wage increase was provided by mining/construction (5.4%).

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



Source: ADAM Database, 1998

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



## Wage Dispersions

Table 1.1 highlights the extent of dispersion with for example average annual wage outcomes in the construction industry ranging from 0.2% to 15.6%. There is no one factor driving this dispersion, and it clearly shows that workplace level bargaining produces various outcomes even within the same industry.

Although average annual wage increases are traditionally used to examine trends in wage developments, it is equally important to investigate the dispersion of wage increases between agreements. In fact, of the agreements which granted wage increases in the June quarter, over 60% provided for an average annual wage increase of 1% above or below the 4.1% average.

Table 1.1 lists the highest and lowest average annual wage increases granted in current agreements by industry. It demonstrates that average annual wage outcomes as high as 15% have been granted in some industries whilst, at the other end of the scale, some have provided for wage increases as low as 0.2%. This dispersion is the result of many factors, but it provides clear evidence that, in many agreements, wages and other conditions of employment are set according to the needs of the workplace, and not some industry-wide rule of thumb.

**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	15.6	0.2
Food, Beverage & Tobacco Manufacturing	13.9	1.2
Metal Manufacturing	15.6	0.7
Other Manufacturing	15.0	1.0
Electricity, Gas & Water	8.5	1.0
Wholesale/Retail Trade	15.0	1.3
Transport/Storage	15.0	1.3
Financial Services	6.5	0.7
Public Administration	9.6	0.3
Community Services	8.3	0.7
Recreational & Personal Services	6.0	0.3

Source: ADAM Database, 1998

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

## Other Remuneration Benefits

An analysis of the content of high and low wage increase agreements registered in 1998 found little difference in the provision of other additional remuneration benefits. Other benefits include performance bonuses, employee share schemes, salary packaging or other employee benefits such as discounts on company products, discounts on home loan payments, school fees and medical benefits.

Agreements were classified into three groups; low, medium and high wage increase agreements. Agreements in the 'medium group' provided for an AAWI 1% above or below the 4.4% average for 1998. The 'low group' consisted of agreements with average wage increases below that of the medium group and the 'high wage increase group' provided wage increases above those of the medium group.

While it may be expected that the low wage increase agreements would be more likely to provide other sources of remuneration for employees to compensate for modest wage increases, this was not found to be the case. It was found that for low wage increase agreements, only 5.2% provided for 'employee benefits', 6.6% provided for gainsharing, 2.8% had employee share schemes, 10.8% had salary packaging provisions, 7.6% of agreements had individual performance payment clauses and 9.2% provided for additional bonus payments. Only one agreement had provisions for in kind payments and one other agreement had a profit sharing scheme.

Interestingly the pattern was similar for the high wage increase agreements, although this group was more likely to provide provisions for other sources of remuneration such as 'employee benefits' (7.5%), gainsharing (7.5%) and profit sharing schemes (1.7%). This higher wage increase group was, however, less likely to have provisions for bonus payments (5.8%), individual performance pay (6.7%), employee share schemes (0.8%) and employee packaging (5%).

## High Wage Agreements

The *ADAM Report* examined a selection of high wage increase agreements and found that, in most agreements, some or all of the proposed wage increases were only paid when certain performance targets were met. In some cases, the wage increases were granted in recognition of the introduction of a new classification system or new work methods or simply as a 'wages catch up' phase. Table 1.2 outlines the main features of some recently registered high wage increase agreements.



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

Industry	Key Provisions
Pharmaceutical Manufacturing (AAWI 12%)	<ul style="list-style-type: none"> <li>● A 'Productivity Payment' of 5% of an employee's annual salary is paid in four instalments if all specified KPI's are met.</li> <li>● A system of staff appraisals known as the 'Team Based Evaluation' is used. Specific procedures and expected behaviour and knowledge of employees are linked to wage increases. For 'satisfactory' performance three 2% increases are available, this acts as the base wage increase. For a 'commendable' performance three 3% increases are available, and for an 'outstanding' performance three 4% increases are granted.</li> <li>● Overall, the agreement provides a base of 6%, with 5% at risk if KPI's not achieved and a further 6% at risk from procedural compliance.</li> <li>● A detailed career path, classification structure and training program is outlined offering incentives for staying with the company and achieving the above performance indicators and targets.</li> </ul>
Electrical Contracting (AAWI 13%)	<ul style="list-style-type: none"> <li>● The ETU has continued its drive to seek high levels of remuneration for its members. Due in part to both the boom in the construction industry and the wages catch up, the ETU has secured increments of approximately 6.5% every six month periods for many electrical contracting workplaces around NSW.</li> </ul>
Cleaning Service Industry (AAWI 7.75%)	<ul style="list-style-type: none"> <li>● A wage increase of 15.5% over two years was granted.</li> <li>● The wages are directly linked to detailed performance targets which differ for the various sections of the workplace.</li> <li>● One of the performance linked wages increase states that in the event of industrial action a 3% increase will be withdrawn.</li> </ul>
Road Transport Industry (AAWI 10%)	<ul style="list-style-type: none"> <li>● Two 5% increases are granted in return for the expansion of employees' duties.</li> <li>● Drivers are now required to: use on-board computers, carry out required paperwork as directed, and, maintain vehicle cleanliness to a standard management finds acceptable.</li> </ul>
Metal Wholesalers (AAWI 10%)	<ul style="list-style-type: none"> <li>● A 10% increase is granted provided that employees comply with the Quality Assurance Program and the Code of Conduct.</li> <li>● Employees are graded by a system set out in the Service Employees Skills and Proficiency Grading System. The grading system requires that all employees take part in a training program and aid in the creation of a self-managed work environment.</li> <li>● The consultative committee's ongoing project is to develop new ways of offering employees reward and recognition systems which increase productivity and labour efficiency.</li> <li>● Wages have absorbed allowances.</li> </ul>
Construction Industry (AAWI 7.5%)	<ul style="list-style-type: none"> <li>● Wages are increased in increments of 3.75% every six months.</li> <li>● The wages are paid up until the completion of the specified project known to be inherently dangerous.</li> <li>● The wage paid is referred to as the 'Total All Purpose Weekly Wage Rate', and incorporates 'all award, over-award and non-award payments which might otherwise be payable'.</li> </ul>
Furniture Manufacturing (AAWI 7.5%)	<ul style="list-style-type: none"> <li>● An initial increase of 8% and subsequent increases of 3% and 4% have been granted.</li> <li>● The agreement allows the employer to determine when and by whom annual leave can be taken due to business needs and cycles, as long as the needs of the employee are the primary consideration.</li> <li>● Employees working on construction sites receive substantially higher wages.</li> </ul>

Source: ADAM Database, 1998

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

## Federal AWAs

The take-up rate of Australian Workplace Agreements has slowed steadily during 1998. Latest figures from the OEA show that a total of 38,157 individual AWAs have been approved, covering a total of 1,062 employers Australia wide.

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	Quarterly 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
October 1998	38,157	1,062	118

Source: Office of Employment Advocate, Monthly Releases, (July 1997 — October 1998)

The ADAM Database currently has information on 5487 registered enterprise agreements from the Federal, New South Wales, Queensland, South Australian and Western Australian jurisdictions.



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## INNOVATIVE CLAUSES

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### **Wages, KPI's and Related Matters**

Workplace restructuring is often implemented in an attempt to improve organisational performance. Some organisations link wage increases and bonus payments directly with job redesign. The following agreement in the manufacturing industry places flexibility as the main focus. In this agreement the removal of 'surplus' labour will translate into a labour productivity increase which will then be passed on to the remaining employees in the form of two 1% wage increases over two years.

#### **Manufacturing Industry**

##### ***Wages and Allowances***

8.2 If the changes listed in Schedule 5A have been implemented and satisfactory progress is made in achieving the consequent cost reductions ... the Company will pay each employee in employment the rates of pay set out in Schedule 4B [not quoted] from the Commencement Date.

8.3 If the changes listed in Schedule 5A have not been implemented and satisfactory progress has not been made in achieving the consequent cost reductions by ... the Company will pay each employee in employment the rates of pay set out in Schedule 4B from the pay period on or after the changes listed in Schedule 5A have been implemented and the consequent cost reductions have been achieved.

8.4 If the changes listed in Schedule 5B have been implemented and the consequent cost reductions achieved, the Company will pay each employee in employment the rates of pay set out in Schedule 4C [not quoted] from the pay period on or after the changes listed in

Schedule 5B have been achieved and the consequent cost reductions have been achieved.

8.5 If the Company has implemented all the changes in Schedules 5A and 5B and achieved the consequent cost reductions by [a date to be nominated 12 months after the meeting agreeing to this Agreement], the Company will pay each employee in employment a lump sum of \$800 from the pay period on or after [the date].

8.6 If the Company does not implement all the changes listed in Schedules 5A and 5B and is not able to achieve all the consequent cost reductions, and this is not due to any action or fault of the employees or the Unions, the Company will discuss with the Unions whether employees in employment will be permitted to receive the lump sum.

#### ***Schedule 3***

##### **Work Organisation**

###### ***(i) Workforce Reductions***

This Agreement recognises that the parties agree to changes in work practices as outlined in Schedule 5. The Company has identified surpluses in labour members which are being reduced through a redundancy program. The wage increases contained in this Agreement recognise the labour productivity improvements which are generated by these actions.

#### ***Schedule 5A — Job Redesign***

##### ***Changes to be Implemented***

1. To utilise people at workstations where there is sufficient loading of pipe on 3 lines (Batching).

2. Remove Operator from No. 3 seal coat wash out station. Duties to be performed by Socket Caps Officer.
3. Remove Operator from No. 2 cement line seal coat wash out station. Duties to be performed by Socket Caps Off.
6. Remove painting zinc sockets on No. 2 line. Duties to be performed by Socket Caps Off.
7. Remove painting zinc sockets on No. 1 line. Duties to be performed by Socket Caps Off.
8. Spigot patching > 600mm Duties to be performed by Spigot Off.
9. Elimination of 7 day roster in normalising furnace room.
12. Reduce number of Night Shift Cupola Furnace Operator from 6 rotating to 4, 2 day shift and 2 afternoon shift. Night shift duties covered by overtime, until new cupola commissioned.
13. Reduce one afternoon shift Fork Driver from Handling. Duties to be shared between No. 2 Crane Driver and Leading Hand Handling.
15. Reduce number of people in core plant on afternoon shift from 3 to 2.
16. Relocate Maintenance Trades Assistant to Handling Dept to perform ladle dig-outs and repairs. These duties will absorb the brickies mates duties.
17. Removal of Trades Assistant from Cold End maintenance on day shift.
18. Combine CPI duties with Socket Cap On duties on No. 3 line when only one small casting machine in operation. Also Cement Lining operator to inspect spigots at CPI and then process in batches.
19. Remove East Zinc Machine Operator. Duties to be performed by Roller Conveyor Operator.
20. Remove Cement Lining Inspector. Duties to be performed through self inspection by individuals on the line.
21. Combine Shear Operator duties and Raw Materials Attendant duties.
22. To combine East Mould Weld Operator duties with Mould Preparer duties.
23. Redistribute general machining functions.
24. Electrical — absorb maintenance clerical duties/master of apprentices.
25. Remove Garage Mechanic. Duties redundant through lease agreement of forklifts.
26. Remove Service Building Attendant. Duties redundant with equipment upgrade — residual duties to be absorbed by Storeperson.
27. Combine stores and receiver of goods and data entry duties.
29. Combine Batch Mix Operator/Spigot Off No. 3 cement liner duties.
30. Consolidate Stockyard supervision.
31. Remove Cleaner. General Cleaning to be redistributed generally.
32. Remove Garage Trades Assistant. Duties redundant through lease agreement of forklifts.

#### *Schedule 5B — Job Redesign*

##### *Changes to be Implemented*

4. Remove Water Tester Operator on No. 2 line. Duties to be performed jointly by the Cold Pipe Inspector (CPI) and Normalised Pipe Inspector (NPI).
5. Remove Fettler on No. 2 line. Duties to be performed jointly by the Cold Pipe Instructor (CPI) and Normalised Pipe Inspector (NPI).
- 9A. Elimination of Furnaceperson from Furnace Room.



10. Stage 1. Remote control No. 1 hot metal crane.
11. Stage 2. Remote control No. 26 hot metal crane.
14. Redistribution of heat reliefs in the hot end.
28. Design disposable socket caps — Maintenance on current design of socket caps redundant."

The move towards decentralisation of bargaining to the workplace level and even the individual level has resulted in a push for a reduction in the role and significance of the award system. Awards are increasingly seen to play a safety net role for workers who are not capable of bargaining on their own behalf. Although wage outcomes in enterprise agreements are typically higher than those provided by awards, the following agreement in the food services industry provides the opportunity for employees (and the union) to monitor wages outcomes granted in the agreement compared to those under the relevant award and propose to reconcile any differences in wages which may arise.

### **Food Service Industry**

#### *"Disadvantagement of Employees*

An employee or the Union on behalf of an employee or group of employees may after twelve months of operation of the Agreement, and after each successive twelve months request that a reconciliation be carried out comparing the employee's salary and the earnings that would have accrued for the same time worked under the terms of the Award. Where such a request is made the management will carry out the reconciliation."

The linking of performance indicators and wage increases has increased recently in enterprise agreements. However, the linking of performance and wages is often vague and lacks any attempt to set specific goals, leaving

employees (and sometimes management) with little understanding of what the actual requirements are for reaching the set goals and the resultant rewards. The following cleaning services agreement clearly outlines each performance indicator and the targets needed to achieve associated wages increases. Clarity of targets, expectations and rewards for achievement is important because workers can then seek to attain the organisation's performance goals.

### **Cleaning Service Industry**

#### *"MATTERS AGREED (Drivers)*

##### 1) Multi Skilling

Multi skilling involves training of drivers in all operations of every system in the [Company's] operation. Each Driver would require training by the designated FNQ Driver Trainer and multi skilling includes learning runs and areas of service as well as procedural paperwork.

*Percentage Payable 2.00%*

##### 2) Flexibility of Start Times

This provides flexibility to the operations relating to the commencement time of Drivers. As agreed this would be on the basis of the driver receiving a minimum of 10 (Ten) Hours notice prior to the commencement of the shift.

*Percentage Payable 2.50%*

##### 3) Minor Maintenance

Minor maintenance to be completed by drivers after the completion of a shift. Minor maintenance will include:—

- Greasing of Arms
- Replacement of Wiper Blades
- Replacement of Mirrors
- Replacement of Bulbs & Lenses
- Wheel Cleaning

- Other as agreed

Other minor maintenance will be determined through consultation with the operations supervisor.

*Percentage Payable 2.00%*

#### 4) Vehicle Presentation

Vehicles are to be cleaned out at the conclusion of a shift. This will involve the removal of all rubbish and the dusting out of the floor area and wiping down of the dashboard.

*Percentage Payable 0.50%*

#### 5) Bin Repairs

This would involve the repair of Frontlift & Commercial Cart containers. The duties will include the following:—

- Oiling of Wheels
- Replacement of Axles & Wheels
- Replace of Lids, Axles & Wheels on Wheelie Carts

*Percentage Payable 1.00%*

#### 6) Accident Damage

A total payment of 1.5% is payable by the end of this agreement subject to the achievement of agreed benchmarks. The following information details the methodology to be used in

calculating the increase applied to the reduction of accidents.

The benchmark to be used is the total "\$" value of accidents YTD for the 97/98 financial year.

*The total "\$" value YTD is \$26,900*

#### *Conditions of payment*

Should a reduction of 50% ("\$\$" Value) be achieved in the ... operation from July 98 to September 99 an increase of 1.5% is payable. If the benchmarks are not achieved, the payment of 1.5% is not payable.

*Percentage Payable 1.50%*

#### 7) Disputes Procedure

For agreeing to and following the disputes procedure outlined in the preliminary documentation amount of 3% will be paid. Should this procedure be broken then the company has the right to remove the 3% totally.

*Percentage Payable 3.00%*

#### 8) Not til 1st July 98

If the employees are willing to not take the increases put forward until 1 July 98, the company is willing to pay an additional 3% from the 1st July 98.

*Percentage Payable 3.00%*



9) Summary

	Total	1/7/98	1/9/98	1/3/99	1/9/99
Multi Skilling	2%				
Flexibility of Start Times	2.5%		1.5%	1%	
Minor Maintenance	2%		2%		
Vehicle Presentation	0.5%		0.5%		
Disputes Procedure	3%	3%			
Not til July 98	3%	3%			
Bin Repairs	1%			1%	
Accident Damage	1.5%				1.5%
<i>TOTAL</i>	<i>15.5%</i>	<i>6.00%</i>	<i>4.00%</i>	<i>2.00%</i>	<i>3.50%</i>

..."

The following three agreements offer employees a financial incentive not to engage in industrial action or contravene the dispute resolution procedures. The incentive payments become a penalty if employees do not conform to the requirements. The incentive payments form a considerable portion of employee earnings, and therefore have the potential to become an effective means of reducing disruptions at work.

**Construction Industry**

"21 — INCENTIVE PAYMENT

(1) In keeping with the intent of this Agreement, each employee shall accrue a flat payment of \$50.00 per week. This payment shall not accrue in any week in which the employee is involved in or engages in industrial action, unauthorised stop work meetings, bans or limitations.

(2) The accrual of the payment shall not be affected where the employee attends meetings authorised in advance by the Project Management.

(3) Any meeting not agreed to by the employer concerned will result in the loss of the Incentive Payment. The relevant union shall advise the workforce prior to the commencement of a workforce meeting that it is an authorised meeting for the purposes of the Incentive Payment. Workforce meetings which are likely to intrude into working hours will need to be agreed by the employer concerned to prevent the loss of the Incentive Payment as prescribed in this Clause. Should normal work not resume after the meeting, the Incentive Payment shall be forfeited."

**Mining Industry**

"7.7 Special Productivity Payment

A payment of \$75.00 per week shall be paid to employees, upon completion of their time at [the Company], where work is continuous and uninterrupted. This payment shall be forfeited if an employee is unlawfully absent or engages in industrial action that has taken place prior to the grievance and dispute resolution procedure being thoroughly exhausted."

## Cleaning Services Industry

### "12. SETTLEMENT OF DISPUTES PROCEDURE

*Procedures relating to disputes between the Employer and employees;*

#### 12.1 Intention

The employees and the employer undertake to take all necessary steps to ensure delegates, officers, officials, employees, union members, executive and management follow the procedure as set out herein, the intention being that any or all disputes shall be properly resolved by conciliation in good faith without disruption to work. The parties shall respectively notify each other as soon as possible of any industrial matter that might give rise to a dispute.

#### 12.2 Procedure

(i) In the event of a dispute or difficulty arising at job level, the employee representative(s) and the site management shall immediately confer and shall attempt to resolve the matter without delay.

(ii) If no agreement is reached, both the representative(s) and site management shall discuss the matter in dispute with the Branch Manager (or nominee).

(iii) If the matter in dispute remains unresolved, the [State] Manager of [an employment service] (or nominee) shall become involved and be briefed on the issues.

(iv) If the matter in dispute remains unresolved, the General Manager of [the Company] (or nominee) shall become involved and be briefed on the issues.

(v) If the foregoing steps fail to resolve the issue within a reasonable time, either party shall refer the matter in dispute to the Commission for determination.

#### 12.3 Right to Refer to the Commission

The above steps shall not preclude reference to a dispute to the Commission at any stage of this procedure if a party believes it necessary. In these circumstances, the Commission shall retain its discretion to refer the parties back to a continuation of this procedure where the Commission considers the course appropriate.

#### 12.4 Continuity of Work

Pending the completion of the procedure set out in this clause, work shall continue without interruption and all parties agree to use their best endeavours to ensure that continuation.

#### 12.5 Preservation of Rights

The status quo will be maintained while the procedures are implemented without prejudice to any party as to final settlement. This clause does not apply to safety issues.

#### 12.6 Procedures and Obligations

The procedures and obligations contained herein shall be equally binding on the parties to this agreement. The decisions of the Australian Industrial Relations Commission shall be accepted and adhered to by all parties subject to their rights under the Act.

#### 12.7 Penalties For Non Conformance to Above Procedure

It is agreed by all parties that the above procedures will be adhered to at all times. In the event that either party refuses to adhere to these procedures the following penalties will apply.

##### *Employee or Representative*

- Removal of 3% increase provided for in this agreement relating to the acceptance of the above disputes procedure. The removal of this 3% will be relevant for the remaining term of this agreement.



*Management or Representative*

- Payment of an additional 3% increase for the remaining term of this agreement."

## **Pooling of Employee Entitlements**

One of the most interesting developments in Australian workplaces is employer coordination at the industry level over workers' entitlements. The Construction industry has paved the way regarding the pooling of employee entitlements, and the following agreement is evidence of the fact that other employers are following suit. With the continuing increases in job insecurity the pooling of employees' entitlements can be seen as a positive and progressive development. The growth in cooperation over employee entitlements in the community services industry is a positive development since it is typically characterised by high levels of labour turnover. The pooling arrangement in the following agreement only caters for long service leave.

### **Community Services Industry**

#### "CLAUSE 24 — LONG SERVICE LEAVE

##### 24.2.1

(a) The employer shall ... maintain a fund that provides for its total liability for employee Long Service Leave. The fund will detail the equity of each employee.

(b) Such liability will be on the assumption that employees have rights of access, consistent with the provisions of this clause, to such funds from the start of their employment.

(c) Consistent with provisions of this clause, where an employee gains employment with another employer in the Community Services Industry, and that employer is a respondent to an enterprise agreement which contains this clause, then the employer shall pay to the new

employer the equity in the fund established in Part of this clause belonging to the employee.

(d) Where consistent with the provisions of this clause, an employer employs a new employee, and that employee is from the Community Services Industry and the previous employer is prepared to pay to the new employer the equity of the employee in respect of Long Service Leave, then the new employer shall accept that equity and consider the service with the previous employer as service for Long Service Leave purposes.

24.2.2 Where the services of an employee are terminated for any reason the employer shall:

(a) Where the service of the employee is less than five years or upon application by the employee, maintain the Long Service Leave equity of such employee for a period of twenty four months contingent upon (b) of this clause.

(b) Where an employee gains alternative employment in the Community Services Industry the employee shall approach the new employer with a view to reaching agreement on transfer of Long Service Leave equity.

(c) If after twenty four months, and where the employee has requested (a) above, and the employee has not found employment in the Community Services Industry, then the equity in the Long Service Leave fund shall be transferred back to the employer."

## **Family Friendly Provisions**

The following agreement in the printing industry enables parents to have more flexibility in integrating the period of pregnancy, birth (or adoption) and the child's first year with working life. The first 6 weeks of the 52 weeks leave is paid leave. In particular, the 52 weeks leave can also be taken over two years, and annual, long service leave and sick leave (in certain circumstances) may be used in lieu of leave without pay. The parent is also



able to keep in close contact with their job over the period of leave and is guaranteed their former position upon return to the workplace. Flexible return to work arrangements are also available including working from home and the provision for a breastfeeding room.

### Printing Industry

"MATERNITY, PATERNITY AND ADOPTION LEAVE

MATERNITY LEAVE

Entitlement

An employee having worked on a permanent part-time or full-time basis for a minimum period of 12 continuous months before the expected date of birth of a child shall be entitled to 52 weeks' maternity leave, six (6) weeks of which are with full pay and 46 weeks without pay.

The employee shall provide a written commitment to return to work for a minimum period of 12 months after the maternity leave to be eligible for the paid maternity leave (which shall be paid at the start of the leave).

The employee shall take at least six (6) weeks leave after the birth of the child. Such six (6) week period of paid leave must include the expected date of the child's birth. The employee may take other forms of leave, such as Annual Leave and Long Service Leave accruals to reduce the period of maternity leave taken without pay, provided the total absence is no longer than 52 weeks after the birth of the child.

The Company may also approve the 52-week period of maternity leave in blocks of time in a two (2) year period after the birth of the child. Maternity leave commences from the date the child is born or from the first day of approved maternity leave, whichever happens first.

The employee shall take at least six (6) weeks' leave directly after the birth of the child. Where

both parents work for the Company, the combined parental leave entitlement shall be 52 weeks.

The six (6) week period of paid leave shall only be paid to one (1) partner, either as paid paternity or maternity leave. If the partner of the employee does not work for the Company, the entitlement to 52 is not reduced by any leave period taken by the partner.

If the employee has worked for less than 12 months, she should discuss her circumstances with a Human Resources Department staff member.

An employee becoming pregnant while on maternity leave may commence another period of maternity leave at the appropriate time.

Maintaining contact during parental leave

The employee may request that a contact program be set up for her during the period of maternity leave. The Section Manager or a colleague may take on this task. Any contact will be sensitive to the employee's need for privacy, but may include sending important written information or regular telephone updates; regularly inviting her to team meetings or team-development exercises and training; using teleconferences during important meetings and invitations to social functions.

Flexible return-to-work arrangements

The Company will make every effort to accommodate any reasonable request for part-time or transitional work arrangements when the employee returns to work. Flexible work arrangements, including working from home, working on specific projects, flexible start and finishing times and so forth may be considered.

Breast-feeding room

A breast feeding room is...[provided]...if the employee wishes to express milk and/or feed the child during working hours.



The room offers privacy and may be locked, has a refrigerator, bottle steriliser and access to running water.

The Occupational Health Centre...has an electronic breast express pump for use if required.

Requests for additional facilities should be directed to a Human Resources Department staff member.

## PATERNITY LEAVE

### Entitlement

An employee having worked on a permanent part-time or full-time basis for a minimum period of 12 continuous months before the expected date of birth of a child, shall be entitled to 52 weeks' paternity leave, six (6) weeks of which are with full-pay and 46 weeks without pay.

The employee may take one (1) week's paid paternity leave at the time of the birth of the child.

To be eligible for the balance of five (5) weeks' paid paternity leave, the employee must be the child's primary care-giver at the time of this leave.

The employee shall provide a written commitment to return to work for a minimum period of 12 months after the paternity leave to be eligible for the paid paternity leave (which is paid at the start of the leave).

The employee may take other forms of leave, such as Annual Leave and Long Service Leave accruals to reduce the period of paternity leave without pay, provided the total absence, including any leave taken at the time of the child's birth, is no longer than 52 weeks after the birth of the child.

The Company may also approve the 52 week period of paternity leave in blocks of time in a *two (2) year* period after the birth of the child. If

the employee has worked for less than 12 months, he should discuss his circumstances with a Human Resources Department staff member."

Another aspect of a family friendly workplace is the provision for or facilitation of child care. While many workplaces remain reluctant to provide child care, there is an increasing number of enterprises willing to subsidise child care. In the following agreement, an employer has offered to subsidise child care during their peak operating period of December (and potentially January), possibly in an attempt to offset the effect of school holidays on the incidence of taking leave and entice workers with children to remain at work during peak production periods.

## Public Service

### "CHILDCARE PROGRAM

#### December School Holiday Care Subsidy

140. To support employees who choose to take leave at other times, [the Company] will subsidise school holiday care.

141. During the December school holiday period, [the Company] will make a payment of \$10 per day for each child towards the cost of school children of an employee placed in an accredited program. The maximum payment that can be made is \$150 per week per employee. If January should become a peak period then the above conditions may apply.

142. [The Company] will provide employees with access to a national childcare information and referral service. [The Company] will survey staff to ascertain the level of demand and the programs of more interest."

Further recognition of the importance of a family friendly workplace is shown by the following employer in offering leave on the grounds of a child being born or an employee being married. The employer acknowledges



that marriage and the birth of a child place added pressure on work commitments.

## Electrical Contracting Industry

### "11.1 SPECIAL LEAVE

#### 11.1.1 WEDDING LEAVE

The Company shall provide a special two (2) day Wedding Leave on the occasion of the marriage of an employee. The Wedding Leave may be taken in combination with any additional Recreation Leave applied for. The Company has the authority to request the employee to provide proof of the marriage prior to payment of the Wedding Leave. Wedding Leave shall be paid leave, with payment calculated at the employee's ordinary Consolidated Annual Salary rate.

#### 11.1.2 BABY LEAVE

The Company shall provide a special two (2) day Baby Leave on the occasion of the birth of a child. The Baby Leave may be taken in combination with any unpaid Parental Leave as outlined in Clause 9.4. The Company has the authority to request the employee to provide proof of the birth prior to payment of the Baby Leave. Baby Leave shall be paid leave, with payment calculated at the employee's ordinary Consolidated Annual Salary rate."

## Flexible Work Arrangements

One of the most interesting developments in Australian workplaces is the rise in flexible working arrangements. The following finance sector agreement aims to achieve flexibility by changing the relationship between a worker and their manager, through self-managed work. Such flexible work practices are often presented in the form of semi-autonomous teams. With the incentive of greater flexibility and autonomy for the worker, combined with an employer's capacity to devolve authority for project completion, the issue of trust is fundamental to any such arrangement. The

'underlying principle' of the scheme is 'that the employee works the hours necessary to complete a particular role or project'.

## Finance Industry

### "Self-Managed Work

Temporary, part-time and casual employees are not eligible to participate in the Self-Managed Work arrangement.

Where there is a specific business requirement, a manager may agree to allow an employee who is currently on Ordinary Hours to move to Self-Managed Work. Employees who are on Self-Managed Work may initiate a move back to Ordinary Hours arrangements to a pattern of working hours agreed to by the manager and subject to operational requirements.

The principle that underpins this arrangement is that the employee works the hours necessary to complete a particular role or project. This is especially critical in areas where employees are working to strict time constraints and it is not considered practical or professional to leave the work place until the work has been completed. The manager and the employee will be jointly responsible for ensuring that this arrangement is managed in a safe and sensible manner. In any case no employee will be permitted to work more than twelve (12) hours in any day. The following provisions apply to employees on Self-Managed Work:

(a) Subject to (h)(iii)(b) an employee will be allowed twelve (12) days per annum, to be known as Productivity Days, which may be taken or paid out at any time during the SMW year upon request of the employee if agreed by the manager. Managers will not unreasonably withhold their agreement to the employee's request to utilise his or her productivity days.

(b) To minimise the impact on [the Company's] operations, productivity days should be taken regularly during the SMW year. No more than



five consecutive productivity days should be taken together.

(c) Any productivity days which are not used or paid out during the SMW year shall be paid out at ordinary rates at the conclusion of that year. The SMW year ends on 30 September of each year.

(d) [The Company] will make clear to all employees who wish to move to this arrangement that it precludes the payment of overtime. Any hours worked which would have, under any other arrangement, attracted an overtime payment or associated allowance, will not attract such payments or allowances under this arrangement.

(e) By entering into this arrangement with the Company the employee accepts that all hours worked in excess of ordinary hours during the year will be completely offset by the twelve (12) Productivity Days.

(f) If an employee who works under this arrangement does not meet the required performance standards then the manager will have the discretion to exclude the employee from further participation in this work arrangement by giving the employee one (1) weeks notice in writing. Prior to terminating the arrangement with the employee, the manager will ensure that appropriate counselling and feedback is given to the employee to assist him or her in achieving the desired level of improvement. Counselling in respect of performance will be conducted in accordance with the Human Resources Policy and Procedures Manual.

Management's expectations concerning performance, the time frame for improvement, and details of the feedback and counselling should be documented and signed off by both parties. Employees who fail to improve their performance within the specified timeframe will be excluded from continuing participation in the arrangement and will have any accrued

Productivity Days paid out on a pro-rata basis, calculated according to the number of months they have worked under the Self Managed Work arrangements.

(g) Grievances that arise as a result of employees moving to or from these arrangements will be dealt with through the agreed Dispute Settlement procedures. If the grievance is not settled to the employee's satisfaction at the conclusion of that process, the employee may choose to revert to ordinary hours arrangements by giving seven (7) days notice in writing to his or her manager."

## **Down Time Utilisation of Labour**

A more progressive aspect of pooling is the development of cooperation between workplaces in the sharing of labour. Due to the intermittent nature of demand for labour in the power industry, the following employer has decided to share their skilled labour with other workplaces as providers of specialist skills, technical expertise or training during slow production periods. Such an efficient use of labour resources is of benefit to both worker and employer. For employers, skill deficiencies may be reduced in the short term while in the long term it leads to an increase in knowledge sharing and competitiveness. Workers have the benefit of continuous employment and a greater earning capacity and not being stood down during down time. Such a scheme could also have positive implications for worker and employer loyalty.

### **Power Industry**

#### **"17. GEOGRAPHIC FLEXIBILITY**

Due to the very low plant utilisation, caused in part by the structural reforms in the power industry, it is necessary to investigate alternative uses of ... plant labour resources.

The company and employees commit to a cooperative approach with regard to this issue.

It is envisaged that any alternative utilisation would take the form of:

- Provision of specialist services, eg. training to other organisations
- Provision of specialist commissioning or other specialist functions to other organisations.

The prime commitment will be to operate the...Plant whenever production is required. Minimum manning levels of three employees per shift will be maintained during production.

Should a long term alternative use for labour resources eventuate, then the company gives the assurance that appropriate negotiations will ensue."

## Redundancy Provisions

Redundancy provisions are increasingly becoming a feature of many enterprise agreements. This suggests that procedural fairness needs to become an important element in the whole process in maintaining employee loyalty and trust. The following provision is from a finance industry agreement which opens up the possibility of unfair treatment of employees during redundancy.

### Finance Industry

"(iii) An employee whose position has been identified as redundant will not be entitled to any redundancy payment, nor will they be eligible for any payment in lieu of notice, if they decline to take up any Company offer of a "directly comparable" position.

(iv) By declining the offer of redeployment to a directly comparable position an employee will be deemed as having terminated his or her employment with [the Company]."

## Union Representation

Unions are often finding it difficult to maintain their rights to represent workers and visit work sites. The following agreement encourages the formation of a single unified body to represent workers with the aim of facilitating a more efficient and directed bargaining process and encouraging its workers to join the union.

### Manufacturing Industry

#### "8.7 Right of Entry

Union Representatives holding certification from the State or National Secretary of the [union] will be granted permission to enter the sites covered by this agreement with 5 minutes notice during the life of this agreement.

Representatives will not unduly hinder the productivity of the workplace but are able to interview employees and by agreement hold paid meetings of union members to discuss issues associated with this agreement. Management will not unreasonably withhold agreement to paid meetings of union members.

...

#### 10. WORKPLACE IMPROVEMENTS EFFICIENCY AND PRODUCTIVITY

##### 10.1 Single Union Employee Representative Unit

The parties agree that both management employees employed at the sites where this agreement has application shall developing a single union employee representative unit. Management will encourage the development of a single union employee representation unit by offering to each new and existing employee detailed information on membership of the predominant union on site.

The company will not challenge the right or ability of the [Union] to constitutionally cover any employee covered by this agreement.



All members of the [Union], Division [x] are deemed to be part of and comprise the single union employee representative unit.

The employer will encourage all employees to be members of the [Union]. The employer will consider the membership of the [Union] as a positive factor in any decisions based on merit regarding engagement in employment and in the continuation of employment in relation to termination and redundancy and in election to committees, provided that the employee concerned is capable of and qualified to perform the task or job or is willing to undertake training to become capable or qualified within a prescribed time as agreed between the parties."

## **Abolition of Junior Rates**

The necessity of wage relativities based on age is currently an open and contentious issue. However some workplaces have pre-empted such debate by abolishing wage relativities of their own accord. The two organisations noted here have a history of a strong collective labour movement, whose workforce comprises a significant number of young workers.

### **Manufacturing Industry**

#### **"11.2 Age discrimination**

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

### **Finance Industry**

#### **"8.8 Junior Rates**

Junior rates will be eliminated during the life of this agreement as follows:

- First full pay period Oct 98  
20 yr olds paid as adults

19 yr olds paid at 95% adult rate  
18 yr olds paid at 85% adult rate  
17 and under paid at 75% adult rate

- First full pay period Oct 99 — all paid at adult rates"

## **Relationship to Awards**

Clauses which reaffirm the scope of awards are increasingly being used as part of a union strategy to maintain the relevance and importance of awards at Australian workplaces. With the reduction in the scope of awards to twenty allowable matters under Section 89A of the Workplace Relations Act 1996, the simple strategy to counter this is the inclusion of a clause in enterprise agreements in which the parties agree to recognise the former breadth of the award and acknowledge that all provisions remain legally binding.

### **Health Industry**

"6.2 Any term or condition in the parent award which is not an allowable award matter within scope of Section 89A of the Workplace Relations Act 1996 will continue to be applied for the duration of this Agreement.

Further, the parties agree that application of such terms and conditions will not continue beyond the nominal expiry date of this Agreement unless the parties agree to such continuation or a new agreement is to replace this Agreement."

## **Absenteeism Monitoring**

The monitoring of sick leave and absenteeism incentive schemes is increasing in popularity in enterprise agreements. An interesting development is shown in the following manufacturing industry agreement where the employer has decided to change the measurement criteria for absenteeism from an employee's attendance record with the company, to include the employee's record

with previous employers as part of calculations. They have also changed the measurement for sick leave entitlements from the commencement date of employment to the beginning of the calendar year, regardless of with whom the employee is working. The employer proposes to access the information about an employee's prior sick leave record via a sworn declaration by the employee.

### Manufacturing Industry

"15.4 SICK LEAVE (Clerical and Administrative employees only)

a) An employee, other than one engaged as a casual, who is absent from work on account of personal illness or on account of injury by accident shall be entitled to leave of absence without deduction of pay, subject to the following conditions and limitations:.....

iv) the employee shall not be entitled in any year (whether in the employment of one employer or of more) to sick leave credit in excess of 76 hours ordinary working time).

v) for the purpose of administering paragraph 'iv)' of this subclause, an employer may within one month of this award coming into operation or within two weeks of the employee entering new employment require an employee to make a sworn declaration or other written statement as to what paid leave of absence has occurred from any employer during the then current year, and upon such statement the employer shall be entitled to rely and act.

### Environment Friendly Workplaces

There is a growing awareness of the importance of protecting the environment and integrating business practice with a sustainable environmental policy. The protection of the environment is becoming accepted as vital to the operation of enterprise. Such an acceptance

requires individuals and individual companies to act on their responsibility regarding this matter even if in the short term, no fiscal rewards are apparent. Following is a provision which integrates a state-sanctioned environmental program with workplace activism. Such collaboration over the environment is still quite uncommon.

### Transport Industry

"17. ENVIRONMENTAL EFFICIENCY

(a) The parties recognise the contribution that employees can make to each of energy, waste and environmental management, consistent with the relevant continuous improvement/best practice/ performance measures identified in relation to this agreement.

(b) Such contribution would be facilitated by:

(i) the provision of training to employees to enable them to identify and take actions of environmental benefit at the [Company]; the provider of such training will be agreed between the parties; to the extent practicable, the training will build upon initiatives already developed under the [Company's] Environmental Management Policy and the experiences of the "Working for the Environment" program, a joint initiative of the (Commonwealth) Environment Protection Agency and the Australian Manufacturing Workers Union;

(ii) the soliciting of suggestions from the employees who undertake the training, through the consultative processes, as to areas in which the performance of the [Company] in environmental, waste and/or energy management might be improved; and

(iii) implementation of as project(s) designed to improve the performance of the [Company] in one or more of the areas identified by the employees and agreed; identification of the area(s) concerned and



the scope of the project(s) (including resources, targets, time-lines, roles and

responsibilities) shall be determined through the consultative processes

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