

Agreements Database And Monitor

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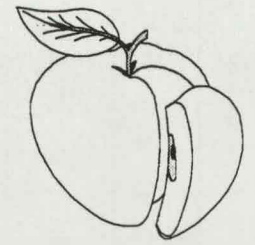
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Executive

Part 1: Key Features of Enterprise Agreements

The average annual wage increase for agreements registered in the June quarter was 6.1 per cent, down from 6.5 per cent for agreements registered in the March quarter.

The average annual wage increase in all current agreements on the ADAM database is lower at 5.7 per cent. When wage increases for all current agreements were examined by industry there was considerable variation in the average annual wage increases. Mining and construction continue to contain the highest wage increases (8.3%), and recreational services the lowest increases (3.3%).

Part Two: The Nature of Enterprise Agreements Three Years on: A Narrowing and Convergence of the Bargaining Agenda

Part two provides an overview of the changes that have taken place in the incidence of major provisions in enterprise agreements. The study compared agreements registered between August 1992 and July 1993 to those registered between August 1995 and July 1996.

The data suggests that there has been a convergence in the issues being dealt with in agreements. In 1992/93 there were major differences between 'narrow' and 'broad' agreements. 'Broad' agreements promote productivity by upgrading skills and consultative approaches to workplace restructuring. Such agreements were prevalent in blue collar industries such as manufacturing, construction and mining. 'Narrow' agreements focus on minimising labour related costs such as penalties and loadings and were prominent in white collar industries such as retail and hospitality. Differences of this nature have diminished amongst agreements registered in the last 12 months. Blue collar agreements have become 'narrower' in focus while white collar agreements address a 'broader' range of issues than was previously the case.

The conclusions from the data are that on the whole enterprise agreements are not becoming more detailed. The comparison found that as enterprise bargaining has developed in Australia, awards have continued to play an important role in the regulation of conditions of employment and there has been a reduction in the proportion of agreements which replace the parent award (15 per cent in 1992-1993 down to 10 per cent in 1995-1996).

Part Three: Enterprise Bargaining and Workplace Change: The Current State of Play

The decentralisation and deregulation of Australia's industrial relations system has been underway since the late 1980s. Data recently released by the Federal Department of Industrial Relations reveals that there has been extensive progress in the restructuring of bargaining arrangements at enterprise level. These have resulted in major gains for management, but few improvements in the processes and outcomes of workplace change for many employees.

The major developments have been as follows:

- (1) Individual contracts are now the growth area in regulating employment conditions. While the number of workplaces with enterprise agreements has stabilised, the number with individual contracts for non-managerial

Summary

employees has increased. Currently 25 per cent of workplaces employ some non-managerial employees on this basis.

- (2) Collective agreements are becoming narrower in form and scope. More are negotiated at workplace instead of enterprise level. Growing numbers of white collar workers are being excluded from collective agreements operating in workplaces which have them. The range of issues considered in agreements is narrowing. Workplace union delegates are struggling to cope with these changes: 48 per cent report they either have no bargaining skills or that their bargaining skills are not good enough.
- (3) Workplace change is delivering benefits for management but often having a negative impact on many employees. Just under two-thirds of workplaces (62 per cent) reported that agreements improved labour productivity. On the other hand, just under half the workforce reported it did not have a fair chance to have a say about changes at their workplace. Moreover, workplace changes are resulting in higher work effort for 58 per cent of employees and greater stress for 50 per cent. Just under a third of employees (29%) report a deterioration in job satisfaction.

These latest findings raise two key issues. First, currently developments in enterprise bargaining are likely to result in divisions and make cohesion in the workplace more difficult. New approaches to integrating different levels of bargaining need to be explored. Second, Australian managers need to rethink their approaches to workplace restructuring. High levels of resentment and insecurity in the workplace are likely to have negative implications for productivity performance and loyalty of the workforce in the long run.

Part 1

Wages and

Table 1.1 Composition of the ADAM Database by Jurisdiction

Jurisdiction	Number of Agreements
Federal	1157
NSW	656
Queensland	621
WA	238
Total	2672

The enterprise agreements information contained in this issue of the ADAM Report is drawn from 2672 enterprise agreements from the Federal, Queensland, New South Wales, and Western Australian jurisdictions. Table 1.1 shows the number of agreements from each of these jurisdictions on our database.

Duration of Agreements

Table 1.2 provides details on the duration of enterprise agreements registered in 1996. The average duration of agreements registered this year is 19 months. The industry with the highest proportion of short duration agreements was the electricity, gas and water industry. In contrast, metal manufacturing has one agreement that runs for 47 months.

Table 1.2: Duration of agreements registered in 1996

Industry	Average Duration (months)	% of agreements running for 12 months or less	% of agreements running for 13-24 months	% of agreements running for 25-36 months
Mining/Construction	19	33	59	7
Food, Beverage and Tobacco Mfg	20	35	41	24
Metal Mfg	21	30	50	15
Other Mfg	20	27	55	18
Electricity, Gas & Water	16	69	25	6
Wholesale/Retail Trade	19	34	56	10
Transport/Storage	18	31	60	8
Financial Services	21	23	57	20
Public Administration	15	45	51	4
Community Services	16	56	36	8
Recreational Services	23	23	43	34
All Industries	19	38	49	13

Source: ADAM Database, October 1996

Wage Increases in Enterprise Agreements Registered in the June Quarter 1996

The average annual wage increase for enterprise agreements registered in the June quarter of 1996 was 6.1 per cent. This is slightly lower than the average annual wage increase reported in the *ADAM Report 9* for the March quarter 1996 of 6.5 per cent. This fall in average annual wage increases appears to be continuing amongst the most recently registered agreements, suggesting that wage pressure arising through registered enterprise agreements is abating.

The average annual wage increase reported here is slightly higher than that reported by the Federal Department of Industrial Relations.¹ There are a number of reasons for these differences. First, the Department's information is based solely on information from federally registered agreements whereas ADAM also includes data from three State jurisdictions. Second, the Department's estimates are based on average wage increases per employee, unlike ADAM, which reports on average agreement rates. This means a small number of agreements covering a large number of employees can influence the results. Agreements of this nature usually come from the public sector. It is interesting to note that the DIR data reveals that agreements for private sector employees provided for an average annual wage rise of 6.6 per cent in the March Quarter.

New Clauses

In interpreting recent trends it is also important to note a number of key factors. Many workers (at least a third of the workforce) remain dependant on awards. Indeed, the proportion of the workforce covered by enterprise agreements is growing only modestly (eg. by 10 per cent in the Federal jurisdiction last year, probably less in the state jurisdiction) and that wages movements occur for reasons other than enterprise agreements (eg. skill shortages, changes in job classifications when vacancies are filled.)

High wage increase agreements: what do they deal with?

When considering the size of agreement based wage movements it is important to bear in mind the kind of changes being codified. Table 1.3 provides details of the key features of some of the most recently registered 'high increase' agreements. It demonstrates that in some workplaces quite profound changes to working arrangements are being proposed, especially in terms of multi-skilling/multi-tasking. In addition, the examples of innovative clauses taken from recently registered agreements at the end of this section reveal that in some workplaces, considerable creativity is accompanying the bargaining process.

Table 1.3 Key features of recent high wage increase enterprise agreement

Industry	Total Wage Increase Over the Life of the Agreement	Average Annual Wage Increase	Number of Pay Periods	Duration of Agreement	Key Provisions
Waste Disposal	15%	7.5%	3	24 months	<p>this agreement addresses a range of flexibilities at the workplace which include:</p> <ul style="list-style-type: none"> employees are to perform multiskilled tasks including welding, boiler making, mechanical, auto electrical, fitting, sheetmetal work, panel beating, painting, cleaning and washing equipment for repair, plant maintenance, technician computer work etc. employees are to use previously acquired personal skills and training and help design and maintain new and old vehicles and machinery flexible meal breaks short shift notice
Rubber Mfg	19%	8.5%	4	24 months	<ul style="list-style-type: none"> establishment of a working party to examine workplace initiatives to improve production eg. job rotation and to determine methods to measure productivity gains management reserves the right to vary meal times for celebratory occasions
Wholesale	17%	9.5%	2	24 months	<ul style="list-style-type: none"> employees are to receive a 10% wage increase comprised of a 7% wage increase for entering into the agreement and a 3% market adjustment, a following 7% will be paid if all the productivity measures are achieved span of hours is 6.00am to 6.00pm RDOs for the year will be taken on the days specified by the production supervisor
Retail	14.7%	14.7%	4	12 months	<ul style="list-style-type: none"> 6.0% backdated 12 months the fourth wage increase based upon the improvement achieved between 1.7.95 and 30.6.96 in excess of 4.6%. This improvement is to be equally shared by employees and the company 6 month trial of new shift arrangements
Metal	15%	9%	3	20 months	<ul style="list-style-type: none"> flexibility in annual leave equal opportunity provisions redundancy agreement
Metal Mfg	14%	10.5%	4	16 months	<ul style="list-style-type: none"> Joint consultative committee to examine ways of ensuring improvements in productivity, to be based on work groups Annual sick leave payment in lieu of accrual

Wage Variability in Current Enterprise Agreements

Table 1.4 highlights the variability in wage increases contained in current enterprise agreements (agreements that have yet to expire). Whilst the average annual wage increase for agreements registered in the June quarter was 6.1 per cent, the average annual wage increase for all current agreements is lower at 5.7 per cent, with substantial variation by industry.

Table 1.4 Wage increase in currently operative enterprise agreements.

Industry	Average Annual Wage Increase %	Highest Annual Wage Increase %	Lowest Annual Wage increase %
Mining/Construction	8.3	18.5	1.5
Food, Beverage and Tobacco Mfg	5.3	10.5	1.2
Metal Mfg	5.5	10.0	2.3
Other Mfg	5.2	13.5	0.67
Electricity, Gas and Water	5.5	11.0	2.0
Wholesale/Retail Trade	5.1	18.5	0.33
Transport/Storage	5.8	18.5	0.5
Financial Services	5.4	18.5	0.75
Public Administration	4.6	9.0	1.06
Community Services	5.7	12.0	0.73
Recreational Services	3.3	9.0	1.17
All Industries	5.7	18.5	0.33

Source: ADAM Database, October 1996

Interesting Clauses in Recent Enterprise Agreements

Leave Arrangements

Leave arrangements continue to be an area of innovation in enterprise agreements. The *ADAM Report 9* contained a discussion on the history of leave arrangements in Australia, focussing on sick leave, annual leave and maternity leave. The clauses below are drawn from a range of industries and address leave arrangements such as family and personal, cultural and bereavement leave.

Sick Leave

Transport Industry

This agreement has a provision for unlimited paid sick leave for personal illness or injury. The employer may, from time to time, require evidence to substantiate the claim for payment. The employer will review the eligibility for payment if the absence exceeds six weeks.

Family Related Leave

Finance Industry

Enterprise agreements which give parents and carers more flexibility to enable them to balance work and family are becoming more common in enterprise agreements. Two finance sector agreements contain interesting clauses on career break schemes and a return to work incentive for women who take maternity leave.

Career Break Scheme - allows employees to take unpaid leave of between six months and five years. The career break may be split into a maximum of two periods over a total time span of ten years, subject to a minimum of one year service between breaks. Employees are entitled to the same or comparable position

New Clauses

on their return to work.

Return to Work Incentive Scheme - this scheme is designed to encourage employees on maternity leave to return to work sooner than otherwise. The employer will pay an incentive to women who choose to avail of maternity leave. The clause states that:

a) all women who have returned to work since January 1, 1996 will be entitled to a lump sum payment equal to six weeks salary paid after being back at work for three months.

b) employees who change their employment status on return to work (for example from full time to part time) will be paid the incentive amount based on their salary at the commencement of their maternity leave.

Cultural Leave

Public Administration

"Aboriginal and Torres Strait Islander employees are granted up to ten days unpaid leave every two years to enable them to fulfil cultural obligations."

Special Leave

Food Manufacturing Industry

"Paid special leave for employees whilst absent due to personal illness or that of immediate family (including the birth of a child). Entitlement to full pay is reviewed after ten weeks."

Food manufacturing Industry

This agreement provides for three months unpaid special leave for employees, which is deemed to be continuous service for the purpose of calculating long service leave.

Bereavement Leave

Retail Industry

"Up to thirty days (of which three days are paid) leave of absence may be granted to employees for the purpose of attending the funeral of a relation which occurs outside Australia."

Wages and Allowances Provisions

Agriculture Industry

"All time worked on gazetted holidays is to be accrued and paid out in December at the rate of double time."

Funeral Industry

An agreement in the funeral industry provides for a wage increase that only affects base levels of pay. It is referred to as an enterprise agreement allowance of \$29.95 per week which shall be paid weekly to all permanent employees covered by the agreement. This allowance is to be paid during all leave but not for the purpose of calculating overtime.

Public Administration

"Employees having completed a year of service are entitled to 38 hours paid travel time to be taken in conjunction with annual leave."

Overtime Provisions

Concrete Industry

"An employee may be required to work for a continuous period of fifteen hours, excluding meal breaks, from the time of commencing work each day.

Employees may be required to work up to twenty hours overtime per week exclusive of meal breaks, which is deemed to be a reasonable amount of overtime."

Occupational Health and Safety

Agriculture

This agreement provides for random breath testing of employees:

The parties agree that a zero blood alcohol reading (defined as 0.02 percent of alcohol per millilitre of blood) will apply to all store officers whilst working. The parties further agree that random breath tests of store officers may be conducted by an independent third person.

Other Provisions

Environmentally Friendly Clause

Public Administration

"The parties to the agreement are committed to actively reducing paper and other resource consumption wherever practicable and to increase the use of reusable stores and stationary items. The areas to be targeted are set out in detail in the agreement and include monitoring the use of: facsimile machines and photocopiers, time switches to save energy, and recycling initiatives to reduce waste volume."

Car pooling

Manufacturing Industry

"Where possible, the crews for shift work shall be arranged so as to enable employees to car pool."

Teamwork

Public Administration

Employees as a team, may be given authority to determine their own working hours, and work teams will organise their own rosters provided they deliver the functions required by the employer.

"The local management and employees may agree to working arrangements which give employees as a team authority to determine their own working hours (which may include the working of twelve hour shifts)."

New Clauses

Use of Mobile Phones

Manufacturing Industry

This agreement contains a clause disallowing the use of mobile phones during work hours.

"In keeping with the company's policy on private telephone calls during working hours, all mobile phones are to be turned off during working hours."

Training Provision

Construction Industry

This agreement provides for equity based training programs to ensure specific access to training for female employees. The Company will "...without prejudice or commitment, consider equity based training in respect of:

- a) specific literacy training for non-literate workers
- b) specific access training for female workers"

Performance/Incentive Based Pay Schemes

Retail Industry

All employees who work in excess of 100% (of the performance indicators outlined in the agreement) will accrue incentive payments on the basis of their individual performance level as set out in the calculations below:

(i) Order Selectors - Main Floor

Weekly base rate ÷ 36 hrs per week ÷ 100 x 85% = Incentive Rate

(ii) Checkers

Weekly base rate ÷ 36 hrs per week ÷ 100 x 100% = Incentive Rate

Personal Effects

Retail Industry

"The employer shall replace or repair any employee's dentures and/or prescription spectacles which are damaged or destroyed in the course of the employee's ordinary duties, other than through the employee's own negligence, up to a maximum of \$250.00 for each set of spectacles and/or dentures.

Provided that the employer may require the employee to furnish a statutory declaration setting out the circumstances of the damage or destruction and supporting evidence of the value of the item damaged or destroyed shall be furnished by the employer."

Endnotes Part 1

1. See for example, Peter Reith, Minister for Industrial Relations, *Wage Trends in Enterprise Bargaining, June Quarter 1996*, Media Release 19 September 1996.

Part 2

Enterprise Agreements

Part Two - The Nature of Enterprise Agreements Three Years on: A Narrowing and Convergence of the Bargaining Agenda

Since the first ADAM Report in October 1993 we have reported on the most common issues appearing in enterprise agreements. In this issue we will compare the issues present in agreements registered between August 1992 and July 1993 to those appearing in agreements registered three years later, between August 1995 and July 1996.

Table 2.1 shows the percentage of agreements containing provisions most common in agreements registered in the 1992-1993 period. The data suggests that there has been a convergence in issues being dealt with in agreements. This has resulted in a decline in the number of 'broad' agreements appearing in the blue collar industries of manufacturing, construction and mining and an increase of these types of agreements in the private services sector.

Table 2.1 Common provisions in enterprise agreements

Provision	Mining/ Construction % of agreements		Manufacturing % of agreements		Public Services % of agreements		Private Services % of agreements		All Industries % of agreements	
	92-3 ¹	95-6 ²	92-3	95-6	92-3	95-6	92-3	95-6	92-3	95-6
Consultation	65	56	49	40	28	36	25	38	36	40
Hours of Work	83	69	53	66	57	57	66	64	63	64
Occupational Health and Safety	71	43	42	33	31	19	26	28	35	30
Performance/ Productivity Indicators	44	37	48	36	33	47	26	29	35	34
Shiftwork	24	17	31	25	22	11	34	24	31	22
Training	79	46	77	38	47	30	49	36	59	37
Agreement Replaces Award	23	12	12	9	6	4.1	17.1	12	15.3	10

¹ 1992-93 agreements are drawn from the Federal, New South Wales and Queensland jurisdictions.

² 1995-1996 agreements are drawn from the Federal, New South Wales, Queensland and Western Australian jurisdictions.

When the content of agreements is compared across industries the most common provisions for enterprise agreements registered in both periods continues to be hours of work issues. These results, coupled with a decrease in the percentage

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of agreements which replace the parent award, suggests that enterprise agreements are not being used to make all conditions of work firm-specific. This may also suggest that in the private service sector there has been a move away from using enterprise agreements to achieve a narrow cost cutting agenda to embracing a wider range of issues in the agreements to achieve improvements in efficiency and productivity.

Hours of Work Issues

In 1992-1993, 63 per cent of all agreements contained a provision relating to the hours of work at the enterprise. Generally these provisions provide for the number of hours to be worked each week, the starting and finishing times of work and the introduction of hours of work flexibilities at the workplace. An example of a provision which addresses all of these issues is provided by a Metal Manufacturing agreement:

'Hours of work will be based on 38 hours per week. Starting and finishing times will be determined by agreement between Staff and the Plant Manager taking into account the flexibility required by the business. It is expected that a 38 hour, five day work week will be in place initially. However there is an agreement to move to a three and a half day working week, Sunday through Wednesday or Wednesday through Saturday incorporating an 11 hour working day plus half a day.'

However, 83 per cent of mining and construction agreements had an hours of work provision in 1992-93. This fell to 69 per cent of mining and construction agreements with such clauses for the 1995-1996 period.

In contrast to mining and construction agreements, all other industries experienced an increase in the proportion of hours of work provisions. Across all industries over the period there has been an increase in the percentage of agreements which allow for an averaging of hours of work over periods of 4 and 52 weeks (16% in 1993-1994 to 21% in 1995-1996). Other changes over the period have included a reduction in agreements allowing for hours of work to be changed by agreement (16% to 11%) and an increase in the percentage of agreements which state the span of hours at the enterprise (25% to 39%).

Shiftwork

Whilst hours of work provisions across all industries have tended to stay the same over the period, the proportion of agreements with shiftwork provisions has decreased. Agreements from the public services have experienced the largest reduction in shiftwork provisions from 22 per cent in 1992-1993 to 11 per cent in 1995-1996. When the shiftwork variables are examined individually most have seen only slight increases. For example a provision that various shift hours may be worked was a feature of 3 per cent of agreements in 1992-1993. In 1995-1996 it is a feature of 4 per cent of agreements.

Productivity Indicators

The use of productivity indicators in the blue collar industries has declined over the period but has increased in both public and private services. However, across all industries it has declined. In 1992-1993 44 per cent of mining and construction agreements contained such a provision. This decreased to 37 per cent in 1995-1996. Similarly, manufacturing agreements have seen a decline

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Enterprise Agreements

from 48 per cent to 36 per cent of agreements which contain productivity indicators. The largest increase has been in the public services where the proportion of agreements with productivity indicators has increased from 33 per cent to almost half of all agreements (47%).

Table 2.2 shows the frequency of specific productivity indicators over the two time periods. The table shows that there has been little change in the type and proportion of productivity measures included in agreements.

Table 2.2 Specific productivity indicator provisions in enterprise agreements

Productivity Indicator	Aug 1992 - July 1993 % of agreements	Aug 1995 - July 1996 % of agreements
Safety	8	8
Absenteeism	10	11
Material per product	2	1
Quality	11	12
Productivity targets quantified	11	10
Any Productivity Indicator Clause	35	34

Source: ADAM database, October 1996

Similarly, roughly the same proportion of agreements (15% for 1992-1993 and 14% for 1995-1996) allow for performance indicators to be developed throughout the life of the agreement.

Occupational Health and Safety

Occupational health and safety provisions are becoming less common in recently registered agreements. Across all industries, except private services, there has been a decline in the proportion of agreements with such a provision over the period. The most notable changes have occurred in the mining and construction industry where the frequency of occupational health and safety provisions has fallen from 71 per cent of agreements in 1992-1993 to 43 per cent in 1995-1996.

Table 2.3 contains frequencies for selected occupational, health and safety variables which have tended to decrease or stay the same over the period.

Three Years On

Table 2.3 Occupational health and safety provisions in enterprise agreements

OHS Indicator	Aug 1992 - July 1993 % of agreements	Aug 1995 - July 1996 % of agreements
Accident prevention program	0.3	2
OHS implementation program	1.5	3
OHS committees	4	6
Training in OHS	7	5
Safety and protective clothing to be issued	16	13
Any OHS Clause	71	43

Source: ADAM database, October 1996

Consultation

In general the incidence of consultative provisions has increased in agreements from 36 per cent in 1992-1993 to 40 per cent in 1995-1996. Once again the incidence of such provisions has decreased in the highly unionised blue collar sectors but is increasing in public and private services. For example, in 1992-1993, 25 per cent of private services agreements contained an occupational health and safety provision, in 1995-1996 38 per cent of agreements had such a provision.

Whilst general consultation provisions are more common in all agreements, frequency counts for individual consultation variables indicate that it is becoming less common for the specific nature of consultation mechanisms to be detailed in agreements. For instance, in 1992-1993, 7 per cent of agreements contained the constitution of a consultative committee. This has fallen to 3 per cent for agreements registered in 1995-1996. Similarly, the frequency of provisions such as the composition of consultative committees and the facilities available for consultative committees have fallen over the time period.

Training

In 1992-1993, 59 per cent of agreements contained a training provision. In 1995-1996 this has fallen to 37 per cent of agreements. The industry data shows that for all industries except private services there has been a reduction in the incidence of training provisions contained in agreements. This is particularly evident when general training statements for the period are compared. Table 2.4 shows that over a wide range of training provisions there has been either no change or a decrease in the proportion of agreements with such a provision over the period.

Enterprise Agreements Three Years On

Table 2.4 Training provisions in enterprise agreements

Training	Aug 1992 - July 1993 % of agreements	Aug 1995 - July 1996 % of agreements
Career path outlined	9	10
Training program at the workplace	34	16
Skills audit/skills analysis	13	3
Employees reimbursed for costs associated with training	7	6
Agreed training leave paid	4	5
Employees to be trained to be multiskilled	18	7
Off the job training given	13	7
Any training clause	59	37

Source: ADAM database, October 1996

Conclusions

The data shows that there has been a change in the content of agreements registered over August 1992 - July 1993 and August 1995-July 1996. The data indicates that on the whole enterprise agreements are becoming less detailed. In particular, agreements from mining and construction and manufacturing have reported the sharpest declines in the proportion of agreements containing the major provisions. Conversely, agreements from the private services have seen an increase in the range of provisions contained in enterprise agreements. This would suggest that there has been a convergence in the types of provisions contained in agreements as the enterprise bargaining system in Australia has evolved. The reduction in the proportion of agreements which completely replace the parent award/s demonstrates that awards still play an important role in the regulation of condition of employment conditions. Generally, enterprise agreements are being used selectively to modify the award system, not to make all employment conditions firm specific.

Enterprise Bargaining & Workplace Change

Part 3

The decentralisation and deregulation of Australia's industrial relations system has been underway since the late 1980s. This has been promoted to improve both the competitiveness of Australian workplaces and the quality of working life for employees. The Federal Department of Industrial Relations has recently released a report on enterprise agreements in Australia that provides insights into what has been happening.¹ It reveals that there has been extensive progress in the restructuring of bargaining arrangements at enterprise level which has resulted in gains for management. The data also reveals that there have been few improvements in the processes and outcomes of workplace change for many employees.

Individual Contracts: The Growth Area in Enterprise Agreements

Between 1994 and 1995 there has been little change in the number of employees working at establishments with an enterprise agreement.² The proportion of employees covered by Federal enterprise agreements remains steady at about 22 per cent of the workforce.³

The significance of individual contracts of employment has, however, increased. Currently 25 per cent of workplaces employ at least some non-managerial employees on this basis.⁴ Moreover, 11 per cent of workplace managers report that the number of employees covered by such agreements has increased in the last two years. As Table 3.1 shows, individual contracts for non-managerial employees are more common in some industries than others.

Table 3.1: Percentage of workplaces with all, some or no non-managerial employees on individual employment agreements by industry

Industry	None	Some	All
Mining	37	44	18
Manufacturing	70	27	3
Electricity, gas and water	92	8	0
Construction	73	24	3
Wholesale trade	60	29	12
Retail trade	79	18	2
Accommodation, cafes & restaurants	77	19	4
Transport and storage	84	12	3
Communication services	89	12	0
Finance and insurance	76	15	10
Property and business service	43	36	22
Government administration	77	20	3
Education	87	13	0
Health and community services	82	15	3
Cultural and recreational services	57	42	1
Personal and other services	74	25	1
All workplaces	74	21	5

Population: All workplaces with 20 or more employees

Source: DIR, *Enterprise Bargaining in Australia: 1995 Annual Report*, AGPS, Canberra, p261

As Table 3.1 shows, individual contracts cover all workers in a significant proportion of Property and Business Services (22%), Mining (18%), and Wholesale Trade (12%) workplaces. Moreover, many workplaces in Manufacturing (22%), Cultural and Recreation Services (23%) and Personal and Other Services (21%) have at least some non-managerial employees employed on this basis. It is interesting to note that individual employment contracts have risen in significance even before the introduction of supportive legislation at the Federal level.

Collective Agreements: Narrowing in form and scope

While collective enterprise agreements have not been increasing their reach in terms of labour market coverage, this sector of the industrial relations system has not remained stagnant. Indeed, there have been major changes in the form and scope of these agreements.

From enterprise to workplace bargaining

Arguably the most profound change has been the decentralisation in the level at which agreements are negotiated. This trend has been clearest in Federally registered agreements. In 1994 only 22 per cent were largely made at worksite level. In 1995 well over half (60%) were settled at this level.⁵ Not surprisingly there has also been an increase in the involvement of management and employees at the workplace in agreement negotiations. Recently registered Federal agreements again provide a good illustration of this trend. In 1994 just over half (53%) of workplace managers reported being involved in agreement negotiations. In 1995 this proportion had risen to 83 per cent.⁶ Similar trends were apparent with the involvement of local union delegates, consultative committees and employees acting collectively without union involvement. This is indicative of a higher level of bargaining occurring at workplace rather than head office (or enterprise) level than was the case in 1994.

Growing exclusion of white collar employees

Within workplaces covered by agreements the proportion of employees excluded from them appears to be on the increase. At the Federal level, for example, in 1994 two third-thirds (66%) of all workplaces were covered by agreements that included all employees. In 1995 less than half (44%) of workplaces with Federal agreements were so inclusive.⁷ White collar employees are far more likely than their blue collar workmates to be excluded from a collective enterprise agreement. The level of exclusion is increasing in recently registered Federal agreements. This is evident in Table 3.2.

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Table 3.2: Percentage of workplaces with recent Federal agreements, where at least some employees were excluded from the agreement, by year of agreement and occupational group

Occupational Group	% of Workplaces Where at Least Some in Group Excluded	
	1994	1995
Managers	67	84
Professionals	58	72
Para-professionals	53	68
Tradespersons	26	23
Clerks	34	59
Sales and personal service workers	35	77
Plant operators	12	21
Labourers	18	16
All	34	56

Population: All workplaces with 20 or more employees with a recently registered federal agreement.

Source: DIR, (1996), op. cit., p.47.

As this table makes clear a growing number of workplaces with Federal enterprise agreements are excluding white collar workers. The proportion excluding clerks is up from a third (34%) in 1994 to over half (59%) in 1995. The situation has been starker for salesworkers. The proportion of workplaces with Federal agreements that exclude these types of workers has doubled: 35 per cent in 1994 to 77 per cent in 1995. These workers are also the least likely to be employed at a workplace that has any kind of enterprise agreement.⁸ Sales workers in particular therefore appear to be less involved in enterprise bargaining: either because they are employed at workplaces without agreements, or where agreements are in place, they are increasingly being excluded.

The narrowing of the agenda

As noted in Part 2 of this ADAM Report the range of issues included in enterprise agreements appears to be narrowing. As bargaining devolves to lower levels of the industrial relations system and more occupational groups are excluded, this is not surprising. The narrower coverage of agreements means that the range of issues that can be contemplated by the parties also narrows. It appears that the fragmentation of bargaining from national to industry, from industry to enterprise, and now from enterprise to workplace level has been accompanied by a reduction in 'big picture' issues and the rise in more narrowly defined issues. This is likely to continue with the further fragmentation of bargaining around individual contracts of employment.

Unions struggling to cope

The decentralisation of the industrial relations system has placed significant demands on unions. The evidence to date indicates that many have not coped well with the change. Table 3.3 summarises union delegates' perception of their bargaining skills.

As is evident from the table, the delegates are evenly split between those feeling up to the job of bargaining a local agreement and those not so capable. Given the nature of unionised workplaces it is impossible for full-time union officials to negotiate all local agreements. This weakness in the delegate structure was

Table 3.3: Percentage of union delegates reporting how skilled they considered themselves in the negotiation of an agreement

Level of Skill	% of delegates
Excellent skills	9
Good skills	41
Skills aren't really good enough	22
No skills	26
Not applicable	3

Population: All workplaces with 20 or more employees which have some kind of collective agreement and union delegates for the largest union on site.

Source: DIR, (1996), op. cit., p.283

first starkly identified in 1991 with the first workplace survey.⁹ It appears as little has changed.

Workplace change: its differential impact

A major motivation for introducing enterprise bargaining was to improve productivity and efficiency at the workplace. The recently released DIR data for 1995 indicates that these objectives are being achieved in workplaces with recently registered Federal agreements. This is evident in Table 4.

Table 3.4: Percentage of managers reporting the effects of Federally registered enterprise agreements on key performance indicators

Performance Indicator	Increased a lot	Increased a little	No change	Decreased a little	Decreased a lot
Labour Productivity	9	53	38	1	0
Quality of product or service	6	40	53	0	0
Profits	6	38	40	12	3
Skill levels	5	41	54	0	0
Absenteeism	3	13	68	9	8

Population: All workplaces with 20 or more employees with a Federally agreement registered in 1995

Source: DIR, (1996), op. cit., pp.130-133

According to workplace managers the major benefit arising from agreements has been increased labour productivity, with 62 per cent of workplaces reporting it had improved either a little or a lot in 1995. Smaller proportions of managers at workplaces with recently registered Federal agreements reported improvements, of a smaller magnitude, in quality of service or product, profits and skill levels. Surprisingly, equal proportions of managers report that absenteeism levels improved or worsened as a result of the agreements. On balance, however, it appears that firms have achieved benefits from the changes associated with enterprise agreements, although the relatively high proportion of managers reporting 'no change' on most of these indicators may be a matter of concern.

Another reason for the decentralisation of bargaining was to improve the processes of workplace change. Information obtained from over 19,000 employees allows us to assess whether this has been achieved.

The workforce appears to be evenly split between those who believe they have been given a chance to have a fair chance to have a say about the major changes affecting their workplace (54% of respondents) and those who felt they lacked such an opportunity (46%). This confirms data collected since the late 1980s on the lack of consultative practices amongst Australian managers.¹⁰ The reasons why so many employees feel they have not been given a fair chance to have a say on key issues are summarised in Table 3.5.

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Table 3.5: Reason employees said they were not given a fair say about workplace change

Reasons employees say they have not been given a fair chance to have a say	% of employees
Decisions made by management	56
Decisions made outside the workplace	48
Managers do not consult	40
Discussions only between management and the union	13
Part-time/casual employees and not involved	13
Could not attend meetings	5
Other/Don't know	5

Population: All employees working at locations with 20 or more employees, covered by an agreement made since early 1994 and indicating that they did not believe they had a fair chance to have a say about workplace changes in the previous 12 months.

Source: DIR, (1996), op. cit., p 87, Table 3.4

It is important to note that levels of dissatisfaction did not vary greatly between employees covered by an enterprise agreement and those without an agreement. As such, the data reveals that major problems persist in the management of workplace change.

The outcome of workplace changes for many employees appears to be a reduction in the quality of their working lives. The latest information confirms the findings of the Federal Department of Industrial Relations 1994 Report¹¹ on the impact of workplace change on employees. These findings are summarised in Table 3.6.

Table 3.6: Employee views of changes at workplaces in the last 12 months: 1994 and 1995 compared

Employee views of change	Percentage of employees in 1994	Percentage of employees in 1995
Work effort		
higher	60	58
no change	35	36
lower	4	4
Amount of stress on the job		
higher	59	50
no change	35	41
lower	6	7
Satisfaction with work/family balance		
higher	13	14
no change	57	58
lower	30	26
Satisfaction with job		
higher	29	30
no change	37	40
lower	34	29

Population: Employees working at locations with twenty or more employees.

Sources: DIR (1996) op. cit., p 151-155 and DIR (1995), *Enterprise Bargaining in Australia: Annual Report 1994*, AGPS, Canberra, 1995, p.376

Notes: The data from 1994 represent the average of material reported separately for employees covered by Part VIB Agreements, other formal Federal agreements, registered State agreements, unregistered agreements and no recent agreement workplaces.

This table reveals that for many employees the legacy of workplace change is either higher levels of work effort, greater stress or lower levels of job satisfaction. The DIR report notes that over a quarter (28%) of employees reported experiencing a combination of negative effects: ie increased stress as well as greater work effort and a faster pace at which tasks were performed.¹²

One of the factors that could be contributing to this are the longer hours being worked. The high level of unpaid overtime was noted in ADAM 8. The latest data provides another insight into this phenomenon. Employees were asked if they had increased their weekly hours of work over the last 12 months. One quarter (25%) reported that they had. These employees were then asked if they received payment for these additional hours. While just over half (56%) reported their pay had risen, 38 per cent reported no change and five per cent reported it had actually fallen.¹³ Not only is workplace change affecting the quality of working life, it also appears to be associated with decreased leisure time.

Conclusion and implications for employers, unions and public policy

It is evident that the industrial relations reforms of the last decade have resulted in dramatic changes in the bargaining relations between employers, employees and unions. Over time the level of decentralisation has increased. But this decentralisation has also had some unintended consequences. As the 'centre of

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bargaining gravity' has fallen, the agenda of issues negotiated appears to have narrowed. In addition, greater decentralisation appears to have been accompanied by growing fragmentation. The proportion of employees at workplaces being excluded from agreements is increasing. Individual employment contracts also appear to be on the rise. Finally, many workplace union representatives are incapable of undertaking the new role expected of them.

When considering recent developments it is important to remember why decentralisation and deregulation were promoted: to improve workplace performance and the quality of working life. The actual outcomes on this front, however, remain mixed. Recently settled collective enterprise agreements have resulted in improved workplace performance, especially improved labour productivity for many organisations. For most employees, however, the changes underpinning improved workplace performance are not enhancing the quality of their working life. Many feel they are not given a chance to have a fair say in changes affecting their workplace. Many also report increased levels of stress, work effort and lower levels of job satisfaction. Extra hours of time spent at work, often performed on an unpaid basis, could also be contributing to what seems to be a growing level of dissatisfaction, insecurity and frustration.

These findings raise significant issues for all parties involved in the industrial relations system. A matter of concern to governments, unions and employers should be the growing fragmentation between and within workplaces. This is likely to promote division and undermine cohesion in enterprises. Consideration needs to be given to how different levels of bargaining interact. Framework agreements at industry and enterprise level could provide a basis for cohesion and reduce the risks of fragmentation within an industry or enterprise. They could also help keep 'big picture' items on the bargaining table, and thereby help arrest the narrowing of the bargaining agenda.

Managers may need to re-think their approaches to workplace restructuring. Many, understandably, appear to be after 'immediate results' from re-organising workplaces. Whilst this may give the superficial appearance of improvement, in the long run it appears to be resulting in significant resentment and insecurity amongst a large segment of the workforce. The challenge for managers is to strike a better balance between leadership from above and involving employees in key decisions about the future of workplaces. Change of this nature will require a re-think by managers of their current decision making practices, and the accountability arrangements that underpin them.

Endnotes Part 3

1. Department of Industrial Relations (1996), *Annual Report 1995: Enterprise Bargaining in Australia*, AGPS, Canberra.
2. In 1994 just over two-thirds (67%) of employees worked at such establishments. In 1995 the number had fallen slightly to 63%. DIR, 1996 p.23
3. DIR, 1996 p.44, 266
4. DIR, 1996 p.32
5. DIR, 1996 p.82
6. DIR, 1996 p.83
7. DIR, 1996, p.44
8. DIR, 1996, p.47
9. See for example R Callus et al, (1991) *Industrial Relations at Work: The Australian Workplace Industrial Relations Survey*, AGPS, Canberra, Ch 5.
10. R. Callus et al (1991) op. cit., Ch. 9 and M. Short et. al., *Reform and Bargaining at the Workplace and the Enterprise: Evidence from Two Surveys*, AGPS, Canberra, 1994
11. DIR, (1995) *Enterprise Bargaining in Australia: 1994 Report*, AGPS, Canberra, 1995, especially p.376
12. DIR, (1996), pp. 151-155
13. DIR, (1996), pp. 148-150

ADAM Services

Customised reports

Subscribers may wish to obtain additional information quickly on issues of immediate concern. This information can be provided by commissioning customised reports prepared by ACIRRT. These reports will indicate the extent to which particular issues have been dealt with in:

- Federal, NSW, WA and Queensland agreements
- Particular industries

These reports include:

- tables accompanied by a brief description and commentary
- sample clauses of the issues examined
- qualitative analysis of clauses

The Breadth of ADAM

ADAM has information on over 800 different issues covered in enterprise agreements. These are grouped under the following headings:

- fundamental features such as
 - jurisdiction of registration
 - negotiating parties
 - industry of agreement
 - period of operation
- agreement objectives
- methods to achieve objectives
- flexibility arrangements: functional and numerical
- training and skills formation
- productivity and efficiency improvement measures
- quality and performance indicators
- termination, dispute settling and grievance procedures
- hours and flexible work arrangements
- shift work
- overtime
- wages
- juniors, traineeships and apprenticeships
- allowances
- leave entitlements
- change, redundancy and severance pay
- employee representation and consultative arrangements
- superannuation
- equal employment opportunity

Further Information

To discuss your requirements and for an obligation free quote contact Shannon O'Keeffe on (02) 9351 5626 or fax (02) 9351 5615 E-Mail shannon@econ.su.oz.au

Technical Appendix

ADAM

The Agreements Database and Monitor (ADAM) has been developed and maintained by the Australian Centre for Industrial Relations Research and Training (ACIRRT) at the University of Sydney. The coding framework on which the system is based is derived from an awards database that has been developed over many years by Alban Gillezeau, one of the researchers at the Centre.

All clauses in all agreements included in ADAM have been read, interpreted by coders and then noted against the relevant section of the coding framework. All coders have either tertiary qualifications or practical experience in industrial relations and have been trained to ensure consistency in coding. Coders' work is systematically checked to minimise error in the coding process. Once entered, the data is checked for typographical errors before any statistics are released.

Agreements on the database

Agreements have been checked on a stratified, random basis. This has been done to ensure that a statistically significant number of agreements are coded from as many industries as possible. This has meant "oversampling" in some industries (eg. electricity, gas and water and some private services industries) and some "undersampling" in others (eg. parts of manufacturing). This approach to sampling allows us to report at the industry level with a high degree of confidence developments.

Industry

The industry categories used are based on the Australian Standard Industry Classification (ASIC) volumes 1 and 2. This will soon be converted to the new industry coding contained in the Australian and New Zealand Standard Industry Classification (ANZSIC).

Details on industry coverage is usually provided in agreements. Where it is unclear workplace managers have been contacted for this information. In a limited number of cases this information is yet to be obtained.

Estimating Annual Wage Increases

Not all agreements provide sufficient information to calculate annual wage increases embodied in them. The majority, however, report either what the rate of increase is or provide sufficient information to calculate it. The rate of increase is then divided by the number of months for which the agreement runs. This figure is then multiplied by twelve to generate an estimate of what the wage increase would be over a 12 month period. Because of delays in the registration process a few agreements will only run officially for a couple of months. Where it is apparent that the official duration of the agreement is unduly short as a result of administrative delays, such as agreements are excluded from the calculations so as not to artificially raise the estimate of average annual increases contained in all agreements.

ADAM

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