CCH/ACIRRT

Agreements Database

Monitor

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Report

Number 22
September 1999
WAGE TRENDS

Wage Increases in June '99 Quarter Certified Agreements

The average annual wage increase for enterprise agreements registered in the June 1999 quarter was 3.1% (per agreement), down by 0.8% from the March 1999 quarter increase of 3.9%.

Wage Trends in Enterprise Agreements

The June 1999 figure represents the second substantial drop in recent years, confirming a slow down in wage movements within registered enterprise agreements. Wage increases in enterprise agreements have traditionally been substantially higher than those arising from awards. However, this gap is closing. Figure 1.1 illustrates the quarterly wages movements since 1995.

In interpreting these figures it is important to note the industry origins of recently registered enterprise agreements. Fewer agreements came from sectors that have traditionally produced higher wage settlements such as metal manufacturing, construction and transport. Major rounds of negotiations in the key metal manufacturing, construction and road transport sectors are due to commence later this year and in the early part of 2000.

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

Source: ADAM Database, 1999, ACIRRT, University of Sydney.
Figure 1.2 compares movements in the CPI and wage increases for workers covered by different forms of regulation in Australia since 1984. Overall, the trends indicate a steady slow down in wages growth in the 1990s. Award workers have consistently received the lowest wage outcomes, even lower than CPI. Executive salary earners represent the other end of the spectrum, where wage increases have consistently remained above CPI and average wage outcomes. As the figure shows, Average Annual Wage Increases (AAWI) in enterprise agreements have moved at about the same pace as executive salaries.

Figure 1.2: CPI Adjustments and Average Annual Percentage Wage Increases Movements in Enterprise Agreements, Awards and Executive Salaries, 1984-1998

Wage Increases in Current Agreements

The trend for agreements currently in operation (those which had not reached their nominal expiry date as at end of June 1999) shows that the average annual wage increase was 4.1%, down from 4.3% (see Figure 1.3). The mining/construction industry group represents the outlier (i.e., very high and very low wage increases) at 5.8% with most other industries being close to the 'all industry' average. Interestingly, when mining is separated from construction, the construction industry was the main contributor to the high wage outcomes (6.2% for construction but only 3.5% for mining).

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

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

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

Table 1.1 provides details of average annual wage increases within industries in currently operating agreements. The table shows that the mining/construction agreements still contain the largest percentage wage increases. Within industries however, the range in wage increases has fallen. For example, in the transport/storage industry the range of wage outcomes fell from 14% at the end of the March 1999 quarter to 9.1% at the end of the June 1999 quarter. Over the same period, the range in financial services industry wage outcomes range fell from 21.8% to 12.9%. In the community services the range fell from 21.3% to 11.7%. This narrowing of the range suggests that the incidence of outliers is falling, particularly amongst the high wage increase agreements.

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

<table>
<thead>
<tr>
<th>Industry</th>
<th>Highest Average Annual Wage Increase (%)</th>
<th>Lowest Average Annual Wage Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining/Construction</td>
<td>22.8</td>
<td>0.7</td>
</tr>
<tr>
<td>Food, Beverage &amp; Tobacco Manufacturing</td>
<td>10.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Metal Manufacturing</td>
<td>15.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>13.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Electricity, Gas &amp; Water</td>
<td>15.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Wholesale/Retail Trade</td>
<td>15.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Transport/Storage</td>
<td>10.0</td>
<td>0.9</td>
</tr>
<tr>
<td>Financial Services</td>
<td>13.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Public Administration</td>
<td>9.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Community Services</td>
<td>12.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Recreational &amp; Personal Services</td>
<td>11.5</td>
<td>0.3</td>
</tr>
</tbody>
</table>

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

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

A selection of recent high wage increase agreements from the June quarter was analysed. The analysis confirms that the incidence of high wage outcome agreements is decreasing. High wage agreements were traditionally considered as those providing an AAWI of 6% or more. However, given that wage increases in agreements are decreasing, such high wage agreements are becoming increasingly scarce. As a result, high wage agreements were redefined as those with an AAWI of 5% or above.

The analysis generally showed that, in most cases, these wage increases were linked to demonstrated improvements in performance such as the meeting of outlined performance targets and the increasing use of flexible working hours. Flexible work arrangements were designed to suit the needs of the business (see Table 1.2 for details). In several instances annual leave loading has been rolled into the wage rate.

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

<table>
<thead>
<tr>
<th>Industry</th>
<th>Key Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood Products Manufacturing</td>
<td>• This agreement is the sixth in a progression of partnership agreements with the union. Like this agreement, the increases granted in previous agreements were all at risk. Wage increases are linked to:</td>
</tr>
</tbody>
</table>
| (AAWI 5.8%)                     |   1) Quantity of production per person per day  
|                                 |   2) Quality of product  
|                                 |   3) Reduction in overheads per hour (distinct from labour costs)  
|                                 | • Employees are also required to be flexible in their hours due to peak and off-peak demand (six months each). As a result, the weekly wage remains the same, however employees must work a 45 hour week during peak demand, and a 38 hour week during off-peak season. The seven hour differential is to be taken as time-off-in-lieu during off-peak periods. Employees are also entitled to an RDO every four weeks during off-peak periods.  
|                                 | • Annual leave loading has been incorporated into the base wage rate  |
| Food Manufacturing             | • Restructuring has expanded the range of classification levels from five to six. In some cases the range of wages has tripled and the differential between those salaries has doubled as a result of this restructure.  
| (AAWI 6.1%)                     | • Annual leave loading has been incorporated into the base wage rate.  
|                                 | • There are three wage increases over the life of the agreement; 8.25% in the first year (average increase under the restructure), then 4% for the second year, and 5% for the third year.  |
| Private Education              | • The company explained that the wage increases over the year were to keep the promise made to staff that they would always be paid above the state award wage.  |
| (AAWI 8%)                      |                                                                                                                                               |
| Insurance                       | • Employees are guaranteed a base increase of 2% per year.  
| (AAWI 8%)                       | • Further wage increases are subject to achieving team performance targets (4%), and individual performance targets (2%).  
<p>|                                 | • The performance payments may be accessed as either a lump sum bonus payment, a contribution to superannuation, or by arrangement with the company.  |</p>
<table>
<thead>
<tr>
<th>Industry</th>
<th>Key Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Manufacturing</td>
<td>• A wage increase of 4% is guaranteed on certification of the agreement, and a further 3% during the 15 months of the agreement.</td>
</tr>
<tr>
<td>(AAWI 8.8%)</td>
<td>• Performance based pay to a maximum of 4% is available subject to:</td>
</tr>
<tr>
<td></td>
<td>* participation in an annual individual performance review</td>
</tr>
<tr>
<td></td>
<td>* career direction counselling session</td>
</tr>
<tr>
<td></td>
<td>* a strict adherence to the disputes procedure</td>
</tr>
<tr>
<td></td>
<td>* meeting eight monitored and quantified performance targets.</td>
</tr>
<tr>
<td>Wood Products Manufacturing</td>
<td>• A 14.9% base wage increase was granted during the first year of the agreement. A further increase of approx. 3.24% is made after 14 months of the agreement designed to align the wage levels of all employees of the company’s branches. No wage movements given during the final year of this agreement.</td>
</tr>
<tr>
<td>(AAWI 8.1%)</td>
<td>• Hours of work are made more flexible with the removal of standard hours of work. The agreement states that hours will be:</td>
</tr>
<tr>
<td></td>
<td>* scheduled to allow for “maximum advantage of the business and to suit market conditions, whilst not compromising the quality of life to employees”</td>
</tr>
<tr>
<td></td>
<td>* “meal breaks, leave and leisure time will be managed to meet the employee’s needs and ensure the ongoing and efficient operation of the enterprise”.</td>
</tr>
</tbody>
</table>

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

Note: High wage agreements are defined as those delivering an AAWI of 5% or above.
Developments in Federal AWAs

As at the end of August 1999 a total of 69,450 individual AWAs were approved, covering 1,615 employers Australia wide. Table 1.3 shows the take up rate of AWAs since 1997.

Table 1.3: Total Number of Federal AWAs Approved, by Quarter, 1997-1999

<table>
<thead>
<tr>
<th>As at the end of (Qtr)</th>
<th>Total No of AWAs Approved</th>
<th>No of Employers Covered by Approved AWAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1997</td>
<td>1,281</td>
<td>79</td>
</tr>
<tr>
<td>December 1997</td>
<td>4,393</td>
<td>225</td>
</tr>
<tr>
<td>March 1998</td>
<td>10,790</td>
<td>425</td>
</tr>
<tr>
<td>June 1998</td>
<td>22,471</td>
<td>700</td>
</tr>
<tr>
<td>September 1998</td>
<td>34,426</td>
<td>899</td>
</tr>
<tr>
<td>December 1998</td>
<td>45,089</td>
<td>1,163</td>
</tr>
<tr>
<td>March 1999</td>
<td>52,961</td>
<td>1,355</td>
</tr>
<tr>
<td>June 1999</td>
<td>61,264</td>
<td>1,417</td>
</tr>
<tr>
<td>August 1999</td>
<td>69,450</td>
<td>1,615</td>
</tr>
</tbody>
</table>


Wage Trends in AWAs and Certified Agreements

An analysis of current AWAs as at the end of the June 1999 quarter shows that they are increasingly running for longer terms. For example, over two-thirds (71%) run for the maximum 3 year term, while 20.3% run for between 1 to 2 years. Not one current agreement ran for a term of one year or less, while the remaining AWAs (8.3%) ran for between 2 to 3 years. In several instances, however, AWAs do not specify the term of the agreement (i.e. expiry date). In such cases, and in line with the Workplace Relations Act 1996, a three year maximum term is applied. The legislation also states that the agreement is still in force after its expiry date until a new AWA is approved.

Table 1.4 highlights the proportion of different forms of agreements that provide for a wage increase. It shows that of all currently operating agreements as at the end of the June 1999 quarter, unionised certified agreements are more likely to provide for wage increases over the life of the agreement (79.7%) than non-union certified agreements (58.4%) and AWAs (29.5%). This was also the case with longer term agreements (ie 3 years or more). For example, less than one quarter (21.6%) of longer term AWAs provided for a wage increase during the life of the agreement compared with 53.6% for non-union agreements and 71.9% for union agreements. What happens to the wages of most workers on AWAs will be a matter of considerable research interest. On the basis of enforceable rights contained in these agreements it appears that wage rates for workers covered by long term agreements such as AWAs are more likely to lag behind in the longer term than union agreements. Case study research commissioned by the Office of Employment Advocate will hopefully shed light on this issue.
Table 1.4: Proportion of Agreements Which Specify a Wage Increase During the Term of the Agreement

<table>
<thead>
<tr>
<th>Type of agreement</th>
<th>% of Current Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Certified Agreement (n=1667)</td>
<td>79.7</td>
</tr>
<tr>
<td>Non-Union Certified Agreement (n=483)</td>
<td>58.4</td>
</tr>
<tr>
<td>AWA (n=241)</td>
<td>29.5</td>
</tr>
</tbody>
</table>

Source: ADAM Database, 1999, ACIRRT, University of Sydney.
Note: Current agreements include all enterprise agreements and AWAs which have not reached their stated nominal expiry date as at end June, 1999

Table 1.5 below shows that wage outcomes vary considerably between union agreements and collective non-union agreements and AWAs. For example, the average annual wage increase for all current AWAs was 3.3% compared with 3.1% for non-union agreements and 4.4% for union agreements. An analysis of the public/private sector split showed little difference between various agreement types in the public sector. Within the private sector, however, unionisation appears to be associated with far higher wage increases.

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

<table>
<thead>
<tr>
<th></th>
<th>% of Union Agreements</th>
<th>% of Non-union Agreements</th>
<th>% of AWAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Agreements</td>
<td>4.4</td>
<td>3.1</td>
<td>3.3</td>
</tr>
<tr>
<td>Public Sector</td>
<td>3.7</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Private Sector</td>
<td>4.6</td>
<td>3.0</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Source: ADAM Database, 1999, ACIRRT, University of Sydney.
Note: Current agreements include all enterprise agreements and AWAs which have not reached their stated nominal expiry date as at end June, 1999

**Conditions of Employment in AWAs and Union/Non-union Agreements**

Figures 1.4 and 1.5 below highlight the incidence of certain provisions between the three different forms of agreement: union agreements, non-union collective agreements and AWAs. A comparison of the three agreement types highlights some marked differences. Overall, AWAs and non-union agreements were more likely to contain provisions which focussed on increasing flexibility in hours of work and introducing initiatives that measure and reward performance, particularly on an individual level (e.g. staff appraisals, performance related pay and performance linked wage increases). On the other hand, union agreements were more likely to cover issues associated with employee development such as training, employee input such as consultative measures and family friendly matters.

Significant changes to hours of work provisions seem to be the main area of focus for AWAs and non-union agreements. That is, collective non-union agreements and AWAs are far more likely than union
agreements to contain provisions which reduce the payment for non-standard working hours arrangements. For example, Figure 1.5 shows that weekly hours of work greater than 38 are more common in AWAs (28.8%) and non-union collective agreements (17.1%) than union agreements (11.8%). Similarly, while 16.7% of union agreements specify ordinary days of the week as Monday-Sunday, this figure doubled with non-union agreements (34.9%) and AWAs (36.5%). Just under half of union agreements awarded time off in lieu at the ordinary equivalent, compared with 59.4% for non-union agreements and 64.7% for AWAs. AWAs and non-union collective agreements were also more likely than union agreements to provide a daily span of hours of more than 12 (42.1%, 35.2% and 27.8% respectively).

Figure 1.4: Provisions in Agreements, by Union, Non-union and AWAs

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

Note: Current agreements include all enterprise agreements and AWAs which have not reached their stated nominal expiry date as at end June, 1999
Figure 1.5: Hours of Work Provisions in Agreements, by Union, Non-union and AWAs

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

Note: Current agreements include all enterprise agreements and AWAs which have not reached their stated nominal expiry date as at end June, 1999

The ADAM Database currently has information on 6454 registered enterprise agreements from the federal, New South Wales, Queensland, South Australian and Western Australian jurisdictions. The ADAM Database also holds information on 315 federal Australian Workplace Agreements.
INNOVATIVE CLAUSES

Leave Arrangements
This quarter witnessed several innovative leave provisions that are increasingly designed to cater for the needs of the workplace and employees. Generous family friendly and sick leave arrangements have long been established through agreements. Clauses from the food manufacturing, community services, communications and recreation and personal services industries are excellent examples. Leave provisions have also been used as incentive schemes. In the community services agreement, leave provisions are used to attract weekend workers.

Food Manufacturing

"Supplementary Sick Leave"

(a) It is recognised that team members may experience serious and long term illnesses resulting in disablement/disability. Team members may apply for supplementary sick leave except in the following circumstances—

(i) absences of less than two (2) weeks duration after ordinary sick leave has expired;
(ii) any deliberate self inflicted injury or illness;
(iii) alcohol or drug related illness/accident;
(iv) injury and illness arising from professional and paid activity.

(d) A team member may make application for supplementary sick leave up to twelve (12) weeks in any continuous twelve (12) month period.
(e) Supplementary sick leave entitlement will only apply when a team member exhausts ordinary sick leave entitlements.

(f) Should the team member qualify for future ordinary sick leave entitlements during a period of supplementary sick leave, supplementary sick leave will be suspended until ordinary sick leave entitlements have again expired.

(g) Payment will be made at the ordinary time rate immediately following the expiry of ordinary sick leave.

(h) Payment for the first two weeks of supplementary sick leave will be made retrospectively.

(i) Supplementary sick leave does not accumulate.

(j) Supplementary sick leave shall not affect continuity of service."

Community Services

"Harvest Leave"

12.1 The employer shall provide all employees with the right to take up to a maximum of four (4) weeks ‘Harvest Leave’ per year.

12.2 The right to Harvest Leave shall be at the absolute discretion of the employee and shall be in addition to all other leave provided by the Award and this Agreement.

12.3 Harvest Leave is unpaid leave (it is acknowledged that employment is predominantly on a regular casual basis under this Agreement).

12.4 The only criteria to be applied in an employee accessing Harvest Leave is to provide the employer with 48 hours notice to take such leave, however this requirement can be waived by mutual agreement.

12.5 Additional Harvest Leave (ie greater than 4 weeks per year) may be taken by mutual agreement with the employer. Harvest Leave
shall not accumulate from one year to the next if untaken in any year.

12.6 Harvest Leave shall be available on a pro-rata basis.

12.7 Harvest Leave can be accessed on the basis of single or multiple days of absence.

12.8 Harvest Leave is available to an employee for any worthwhile purpose, not just for harvest situations. To access Harvest Leave for purposes other than harvest time, the employee merely needs to provide the employer with details of the purpose.

12.9 Periods of Harvest Leave shall not break the continuity of service of an employee and shall count in the calculation of continuous service for service-related purposes, e.g. Long Service Leave.”

**Communications Industry**

"23. Global Diversity Day

23.1 If you are a full time or part time employee, [the company] pays tribute to our global diversity by implementing a floating ‘Diversity Day’.

23.2 You may take this paid day off on any day that is meaningful to you within each calendar year. [The company] grants this day as a mark of respect to your individual heritage and background. This day is not annual leave and it will not accrue.”

**Recreation and Personal Services**

“Family and community leave

Upon the request of an employee, and with the specific approval of the employer, an employee may be allowed to leave the employer’s premises whilst on day duty, to undertake any family or community activity. The employee will continue to be paid during the absence until the normal finishing time to the shift. During such leave, an employee will remain on call to respond to any alarm or other work duty.

Examples of such leave may include (but is not limited to) the following:

- Babysitting the employee’s children
- Attending community meetings, e.g. Neighbourhood Watch, etc
- Attending sporting meetings.

Leave allowed under this section is strictly at the sole discretion of the employer.”

**Community Services**

"23. Annual leave

23.1 Employees shall be entitled to the following periods of leave:

(a) 4 weeks annual leave for each completed year of service.

(b) an extra days annual leave, in addition to the above entitlement, in lieu of a [company] Picnic Day.

(c) employees who are rostered to work their ordinary hours on weekends shall be entitled to receive an extra annual leave entitlement in addition to the above, on the following basis—

They will receive a number of weekends where ordinary shifts are worked during qualifying period of employment for annual leave purposes:

- additional annual leave entitlement:
  - 4 to 10 — one day
  - 11 to 17 — two days
  - 18 to 24 — three days
  - 25 to 31 — four days
  - 32 or more — one week”

**Family Friendly Provisions**

Organisations in female dominated industries are increasingly catering for the needs of workers with family commitments. The following financial services agreement recognises the importance of family
responsibilities through the introduction of Childcare Leave and child care services. The clause from the public administration sector enables employees to afford day care for their children during the school holidays. It has the added value of enabling employees and employers to organise leave more consistently throughout the year.

**Financial Services**

'**PARENTAL AND CHILDCARE LEAVE**'

**Intent**

[The company] recognises the value of staff and encourages their return to work and continuation of employment following Parental Leave. Results of the Work and Family Survey (1993) indicate that a large number of staff desire a longer period of time away from work to care for their children.

As part of [the company’s] commitment to introducing family friendly policies, as well as aiming for increased flexibility in the workplace, staff are permitted to take an extended period of unpaid leave for up to 2 years, subject to certain conditions.

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**Childcare Leave**

In addition to the current Parental Leave entitlement, Childcare Leave will be introduced. Childcare Leave is an additional 12 months leave available to any staff member who has taken a period of Parental Leave to attend family responsibilities, up until a child is 6 years of age. Childcare Leave will be available to those staff who have commenced Parental Leave since 1 January 1996.

**Options of Leave**

A combination of Parental and Childcare Leave can be taken as one of the following options:

**Option 1**

A 2 year continuous period comprising 12 months Parental Leave (maternity, paternity or adoption leave as per current entitlement) in conjunction with an additional 12 months Childcare Leave.

<table>
<thead>
<tr>
<th>12 months parental leave</th>
<th>Up to 12 months Childcare Leave</th>
</tr>
</thead>
</table>

Maximum 2 years at once

**Option 2**

A 12 month period of Parental Leave (maternity, paternity or adoption leave) plus 2 additional blocks of up to 6 months Childcare Leave (CCL). The first block of Childcare Leave is to be taken in conjunction with Parental Leave (PL). The second block is available to be taken up until the child is 6 years of age.

<table>
<thead>
<tr>
<th>Up to 12 months PL</th>
<th>Up to 6 months CCL</th>
<th>Up to 6 months CCL</th>
</tr>
</thead>
</table>

Maximum 2 years taken in stages

**Option 3**

Twelve months Parental Leave (maternity, paternity or adoption leave as per current entitlement), with an additional 12 months Childcare Leave

<table>
<thead>
<tr>
<th>Up to 12 months PL</th>
<th>6 months CCL</th>
<th>Up to 6 months CCL</th>
</tr>
</thead>
</table>

Maximum 2 years taken in 2 lots

**Untaken Leave**

Untaken periods of Childcare Leave are not accumulated. As per the current Parental Leave entitlement any leave not taken is lost. While the birth of a second or subsequent child will cancel out any period of Childcare Leave not already taken from the first entitlement, a staff
member would be eligible for a further period of Childcare Leave.

PARENTAL LEAVE — RETURN TO OWN JOB

Overview

[The company] reaffirms its commitment to treating all staff equally and therefore staff on Parental Leave will not be treated less favourably when and if restructuring occurs.

Casual Work during Parental Leave

Staff may undertake casual employment with [the company] while on Parental or Childcare Leave. Such a staff member is to be employed as a Casual, as stated in the clause named "Casual Employment" of this Agreement. This employment will not alter the staff member's contract of employment nor affect any Parental or Childcare Leave entitlements.

Staff are prohibited from working for another organisation while on Parental and Childcare Leave.

PERSONAL/CARER'S LEAVE

Overview

[The company] has progressively implemented a strategic approach to work and family management to ensure the Organisation meets both its business goals and employee needs on a continuing basis, providing a stable workforce and better customer service.

Leave Entitlements

In order to assist staff to manage these issues, staff may use one of the following (this provision does not apply to casual employees):

* use of sick leave
* annual leave
* unpaid leave for family purposes
* time off in lieu of payment for overtime
* make-up time
* rostered days off

CHILDCARE

Overview

[The company] is committed to assisting staff with childcare issues. [The company's] Work and Family Survey (1993) indicated that the most significant problem associated with childcare was finding a suitable place for children, especially those under 2 years old.

Reservation of Childcare Places

Reservation is available through Family Day Care, for staff with a genuine need for childcare.

Childcare Referral Service

The Childcare Referral Service will be updated regularly to better meet the needs of staff who use it. The database has been enhanced to include elder care and country childcare places.

Staff Training and Childcare Commitments

[The company] is committed to assisting any staff member who may experience difficulty in attending training courses because of existing childcare commitments. Any staff member who requires assistance will have their request favourably considered.'
Public Administration

59.1 [The organisation] will, wherever possible, facilitate school holiday care for the school age children of [the organisation] employees, where a need is established in that area. [The organisation] will consult with employees and their representatives, which may be the union, on other family care options.

59.2 Where necessary, [the organisation] will assist in funding reasonable start-up costs for school holiday care programs, which could include the cost of modifying existing premises to meet requirements, licensing fees, fire safety check fees, public liability insurance, and the purchase of sports/play equipment, audio-visual equipment and first aid supplies. These costs will be met within office budgets. Ongoing costs will be met by cost recovery from users, including users outside [the organisation].

59.3 If, in a particular office, due to limited demand, the potential users agree that the cost recovery is excessive, the facility described in paragraphs 59.1 and 59.2 will not be provided. Offsets will be encouraged to enter into joint partnerships, with appropriate cost sharing, with other government agencies to increase the viability of the initiative and to reduce the cost per childcare place.

59.4 [The organisation] will provide employees with access to a national childcare information and referral service.

59.5 Where employees are required by [the organisation] to be away from home outside their regular hours (including normal travel time), managers may, in the case of exceptional circumstances, approve an advance payment for some or all the costs, nett of government assistance, of additional family care arrangements.

December/January School Holiday Care Subsidy

59.6 To support employees who choose to take leave at other times, [the organisation] will subsidise school holiday care during the December/January school holidays.

59.7 During the December/January school holiday period, [the organisation] will make a payment of $10 per day for each child for the cost of school children of an employee placed in an accredited program. The maximum payment that may be made is $100 per week per employee.

59.8 An accredited program is a program:
* approved by the [parent company] under its ‘Outside School Hours Care’ program;
* subsidised by a State, Territory or Local Council; and/or
* initiated or supported by [the organisation].

59.9 Normally children of employees employed on a short-term temporary basis would not have access to the program.

59.10 The subsidy will apply only on the days where the employee is at work, except in exceptional circumstances determined by the manager.

59.11 The subsidy is paid regardless of the length of time that the child is in the program each day, but it cannot exceed the actual cost incurred.

59.12 During the December/January 2000 holiday period, [the organisation] will provide for reasonable reimbursement of costs for non school age children, elder care and other caring costs to those employees who are, because of expected extraordinary operational requirements during that period, required to work.”
Flexible Work Arrangements

Hours of work arrangements have become increasingly responsive to the vital link between the workplace and its market. For many companies averaging of hours has provided a short-term approach to managing fluctuations in demand. However, as the example from the manufacturing industry below shows, seasonal demand requires a longer-term cyclical approach to setting hours of work. The agreement provides for a time-in-lieu scheme that allows for employees to take a relatively large amount of leave in the low season.

Beverage Manufacturing

"Clause 8 — Strategy of the Agreement

... The basis of this agreement is that [the company's] employees will work 1740 hours in a twelve month period.

This Agreement acknowledges that the working year is to be divided into two distinct periods, with the peak period being 1st December to 31st May and the off-peak period being 1st June until 30th November ...

Clause 9 — Hours of Work

Ordinary hours of work during the peak period would be 9 hours per day, Monday to Friday, which shall be paid at ordinary rates.

During the peak period, employees will therefore work a 45 hour week. This will be paid during the peak period at the ordinary hourly rate for a 38 hour week.

The remaining 7 hours will be accumulated and banked as time off during the off-peak period.

Any hours in excess of 9 hours per day, or performed on weekends or public holidays, shall be paid at the penalty rates currently prescribed in the Award. These penalty payments shall be made in the pay period the overtime etc is worked.

Ordinary hours during the off-peak period shall be 8 hours per day Monday to Friday, which shall be paid at ordinary rates.

During the off-peak period if an employee works the configuration of 19 days of 8 hours in each 4 week period, the rostered day off shall be accumulated and be taken at any agreed time during the off-peak period.

All rosters shall be prepared on the basis of mutual agreement.

The accumulated accrued time will be detailed on the employees weekly pay slips.

For an employee commencing during the life of the Agreement, the hours worked shall be 45 during the peak period, paid at the ordinary rate for 38 hours. The additional 7 hours will be accumulated and banked to be taken as time off during the off-peak period. If an employee commences during the off-peak period, the hours worked shall be an average of 38 per week.

Where an employee terminates during the life of the Agreement, any accumulated time off accumulated during the peak period), will be paid out at the ordinary time rate."

Performance Incentives

Performance bonuses have been something of a controversial subject in respect to their effectiveness. Some of the most innovative measures have been in the area of performance and productivity schemes, many featuring complex and detailed calculations. Two examples shown below are not complex in their design and rather attempt to encourage and reward employee input and commitment to company initiatives. The public administration agreement rewards employee initiative or innovative practices which boost productivity. The example from the manufacturing industry is similar except that it rewards employees for overall innovation and productivity, but also rewards all employees for gains achieved.
Workplace health and safety issues in the construction industry have always represented a significant cost factor for employers. The construction industry agreement pays a monthly bonus as an incentive for employees who promote safe work practices.

**Public Administration**

"21. INNOVATION AND EMPLOYEE INVOLVEMENT"

Whilst employees are committed to making suggestions and providing for new ideas for the benefit of [the company] and its employees, an incentive of up to $500 shall be available to an employee or group of employees for any new or innovative idea resulting in real and proven productivity gains.

The [company] consultative groups, once the idea is proven in practice and the gains measured shall determine the eligibility for the payment and the proportion of the incentive payment.

All gainsharing accounts will be exempted from innovation payments.

The [company] will develop guidelines to implement the innovation payments.

The intent of the innovation payments does not cover everyday work practices or improvements."

**Beverage Manufacturing**

"It is agreed that any efficiencies/savings resulting from the introduction of improved plant, equipment and processes since 1st July 1995 will be shared by the Company and employees. For the employees, this will be by way of wage increases payable after the plant, equipment or process has been commissioned successfully.

The cost of the plant, equipment or processes will be deducted from any such efficiencies/savings. Details of the calculation will be provided to employees.

As part of this clause, the Company will invest a minimum of $80,000 on improvements to plant and equipment for the duration of this agreement."

**Construction**

"14.8 In recognition of the employer's commitment to occupational health and safety and the duty of each employee to take care for their own safety, the safety of their fellow workers and the safety of any visitor to the workplace, each full-time employee will be paid a bonus of $20.00 per calendar month, if the following conditions are met:

(a) no accident occurs at any site or workplace, whether or not it causes injury to any person per calendar month; and

(b) no other matter occurs at any site or workplace, which affects the health and safety of any person and keeps them from the workplace per calendar month.

The occupational health and safety bonus will be paid during the first complete pay period in the following calendar month."

Absorption of penalties and allowances has been common practice in the construction industry for some time, especially within project agreements. Traditionally known as the ‘all purpose rate’, it is aimed at simplifying the pay arrangements and reducing absenteeism. The clause below, from the manufacturing industry, clearly demonstrates the value of looking beyond industry boundaries for innovation.

**Paper Manufacturing**

"Both parties to this agreement recognise that the high level of absenteeism at an enterprise level is unproductive and inefficient. In an effort to offset the additional labour costs and improve on the current absenteeism level of 200 hours per month, both parties agree that the wage increase will be paid as and known as ‘[Company] All Purpose Allowance’. If an
Performance Monitoring

The rapid growth of call centres has not surprisingly established new practices that are still unfamiliar to many. Call monitoring is specifically aimed at quality of service, rather than some more quantifiable measure, and it has been used for some years now. As a subjective measurement it is important that strong guidelines and procedures are made available to all employees for the benefit of fairness and transparency. The following public administration agreement provides such guidelines.

Public Administration

31. Call Centre Quality Listening

31.1 To assist in the development of the skills of Call Centre Customer Service Officers (CSOs), a range of Quality Listeners will listen to a selection of customer phone calls for each individual Customer Service Officer. Coaches will then provide the Customer Service Officer with feedback on those calls and jointly prepare an individual learning plan.

31.2 The listening will be either remote (that is, away from the Customer Service Officers' work station) or using double headsets alongside the Customer Service Officer.

31.3 The quality listening may be unannounced. The quality listening will not be used in probation, inefficiency or discipline processes. The outcomes of this listening are to be used to analyse the overall quality of our customer service and in staff development.

31.4 For quality listening that is included as part of assessment processes for advancement in the classification structure, CSOs can choose whether the listening is announced or unannounced. This decision will have no effect on their advancement.
31.5 For all Quality Call Listening:
* calls will only be listened to from the beginning of the call so that any customer objections to listening can be honoured;
* listening will only be conducted by an accredited Quality Call Listener; and
* no calls will be taped by [the employer] unless agreed by the CSO.

31.6 In any case where the listening is unannounced:
* only customer calls on the primary line will be listened to;
* a record of the call will be kept including the Customer Reference Number and the time of the call;
* the CSO will not be identified;
* the CSO, or group of CSOs, will be advised of the week that unannounced listening will be used during the schedule period.

31.7 Nothing contained in paragraph 31.6 prevents a CSO requesting that all of their Quality Listening be unannounced.

**Union Recognition**

The toughening of industrial relations legislation in relation to freedom of association, in recent years, has increasingly made it difficult for trade unions to represent their members and establish a presence at the workplace. The following manufacturing industry agreement featured below recognises and clearly establishes the rights of the shop steward in the workplace.

**Rubber Manufacturing**

"**APPENDIX I — SHOP STEWARDS' CHARTER**"

1. The right of an accredited Shop Steward to approach, or be approached by a member for the payment of Union dues or other payments, or to discuss any matter related to the member's employment, during working hours in accordance with Sub Clause 10.2 of this Agreement.

2. The right of the Convenor and the Shop Steward to move freely for the purpose of consulting other Shop Stewards during working hours and to negotiate with the management together with other stewards on behalf of all or part of the members and on any matters in accord with union policy affecting the employment of members, and in accordance with Sub Clause 10.2 of this Agreement.

3. The right of the Shop Steward to call meetings and for members to attend these meetings on the job in accordance with Sub Clause 10.3 of this Agreement.

4. The right of a Shop Steward to have protection from victimisation and this right to be expressed in prohibiting the employer seeking to separate the Shop Steward from the Union members that elected them without first consulting with the Union.

5. The right of a Shop Steward to have easy access to a telephone, computer, to have within their work proximity suitable cupboards and furniture to enable them to keep records, Union circulars, receipt books etc so as to efficiently carry out the Union responsibilities.

6. The right of a Shop Steward to place notices on notice boards after advising the employer of the notice details. Notices can be placed on notice boards dealing with matters of interest to members and within the policy of the Organisation.

7. The right to attend meetings held by the Union in which they hold office without loss of pay or rights (eg Regional [organisation] Delegate etc) following the approval of the employer.

8. The right to have guest speakers at meetings on the job as determined by majority decision.
of the workers in accord with Union and Company policy.

9. The right of a Shop Steward to have all agreements and arrangements negotiated with the employer set out in writing, and for these agreements and arrangements, including Awards, to be provided to Shop Stewards on request.”

**Employee Benefits**

Remuneration has become less structured over the years, and has become more prominent in jobs outside of the professional industries. The following clause from the community services sector provides medical insurance for its employees.

**Community Services**

"Clause 17. Medical Health Insurance Plan"

The employer will provide a contribution of up to $40.00 per fortnight towards a medical health insurance plan for each employee (excluding casual employees). The following conditions will apply:

- Employees of 0.5 FTE [full time equivalent] and above will be entitled to the full employer contribution of $40.00 per fortnight.

- The employer contribution is only available for the purpose of medical health insurance.”

**Redundancy**

With the issue of employee entitlement protection in the minds of many at present, the subject of redundancy has become the cause of anxiety for some employees. It is reassuring then to find an agreement that has tackled the problem of redundancy with a comprehensive scheme, which provides a redeployment option without sacrificing salary.

**Public Administration**

"26. RESTRUCTURES AND REDUNDANCIES"

A. Redeployment

1. Changes within the [organisation] may give rise to an offer of redeployment. In this eventuality, an employee will be given 14 consecutive days to consider the offer.

2. An employee may use the Prevention and Settlement of Disputes clause within this agreement and ultimately may argue in the Australian Industrial Relations Commission that an offer of redeployment does not constitute 'reasonable alternative employment'. If the Australian Industrial Relations Commission finds in favour of an employee, he or she will have the right to a redundancy package in accordance with the redundancy clause.

3. If an employee accepts redeployment to a lower classified position, the following options will apply:

   (a) Salary and Benefits Preserved

   The salary and benefits received by the employee during the period of 12 months prior to restructure; for a period of 24 months after the redeployment of the employee

   (b) Salary and Benefits Paid Out

   The salary and the benefits which apply to the lower classification level immediately upon redeployment of the employee together with a lump sum payment to be made up as follows:

   (i) The difference in salary between the salary the employee would have received if employed at the pre-restructure classification and the salary the employee is to receive as a result of the election for a period of 24 months after redeployment, and

   (ii) The monetary value of the difference between the following benefits the employee would have received if employed at the pre-restructure classification and the benefits the employee is to receive as a result of the
election for the period of 24 months after redeployment:

* Motor vehicle calculated in accordance with the formula in Clause 5; and

* Any other benefits received by the employee which are in addition to the benefits contained in the Award under which the employee is employed other than those benefits provided under an agreement under the Workplace Relations Act 1996.

(c) Salary Preserved/Benefits Paid Out

The salary received by the employee in the period of 12 months prior to restructure; for a period of 24 months after the redeployment of the employee together with a lump sum payment to be made up as follows:

(i) The monetary value of the difference between the following benefits the employee would have received if employed at the pre-restructure classification and the benefits the employee is to receive as a result of the election for the period of 24 months after redeployment:

* Motor vehicle calculated in accordance with the formula in Clause 26A5 and

* Any other benefits received by the employee which are in addition to the benefits contained in the Award under which the employee is employed other than those benefits provided under an agreement under the Workplace Relations Act 1996.

4. A redeployed employee will be entitled to all rostered days off, annual leave, annual leave loading, sick leave and long service leave and other leave entitlements or accumulated time, which have accrued from continuous service.

5. Payment for the loss of motor vehicle usage in accordance with sub-clauses 26A 3(b) and 26A 3(c) will be achieved by including in the calculation of an employee's salary an amount calculated in accordance with the following formula:

Full Private Use
(Purchase price × 0.27) + $3082 (1995 values)

Computer Use
80% of (Purchase price × 0.27) + $3082 (1995 values)

B. Voluntary Redundancy

1. Where a position is identified as surplus or redundant to the organisational structure of the [organisation] and an employee has chosen to accept a separation package in lieu of redeployment, the employee will be terminated and the [organisation] will provide a separation package to the employee consisting of:

(a) A period of notice of four weeks or payment in lieu of such period of notice.

(b) In addition to the above, employees over 45 years of age at the time of the giving of the notice will be entitled to an additional one week's notice.

(c) Severance pay calculated on the basis of three weeks income for each completed year of continuous service or part thereof.

(d) A payment in the sum of $5000 (pro-rata, for part time employees).

(e) If the employee has more than five years continuous service at the date of redundancy and is not entitled to payment for pro-rata long service leave then an ex-gratia payment equivalent to pro-rata, long service leave will be paid.

(f) If required by the employee an amount of up to $1000 for outplacement services will be offered by [the organisation].

C. Compulsory Redundancy

1. Where a position is identified as surplus or redundant to the organisational structure of the [organisation] and an employee has been given a compulsory separation package in lieu of
redeployment, the employee will be terminated and the [organisation] will provide a separation package to the employee consisting of:
(a) A period of notice of four weeks or payment in lieu of such period of notice.
(b) In addition to the above, employees over 45 years of age at the time of the giving of the notice will be entitled to an additional one week’s notice.

2. Severance pay calculated on the basis of three weeks income for each completed year of continuous service or part thereof.

3. A payment for the loss of motor vehicle usage by including in the calculation of an employee’s salary an amount calculated in accordance with the following formula:
   \[ \text{Full Private Use} = (\text{Purchase price} \times 0.27) + 3082 \text{ (1995 values)} \]
   \[ \text{Computer Use} = 80\% \text{ of } (\text{Purchase price} \times 0.27) + 3082 \text{ (1995 values)} \]

4. If the employee has more than five years continuous service at the date of redundancy and is not entitled to payment for pro-rata long service leave then an ex-gratia payment equivalent to pro-rata long service leave will be paid.

5. If required by the employee an amount of up to $1000 for outplacement services will be offered by [the organisation].

D. Employees Employed Under a Written Contract of Employment

1. A contract employee who has chosen to accept a separation package or has been required to accept a separation package by the [organisation] in lieu of redeployment may elect to receive:
   (a) Any benefit contained in the employee’s contract of employment which is payable to the employee upon termination of that contract of employment on the basis that it excludes the contract employee from an entitlement to a separation package provided for herein; or
   (b) A separation package in accordance with this clause in full and final settlement of any claim which he or she has or may have arising out of the contract of employment or the employment relationship or associated with the termination of the contract of employment or employment relationship.”

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Report written by Betty Arsovska and Sturt Carter at ACIRRT. Coding and data entry by Kate Abell, Robin Denver, Justine Evesson and Sturt Carter.

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

For more information about ACIRRT:

Ph: (02) 9351 5626  Fax: (02) 9351 5815
Address: Institute Bldg (H03), University of Sydney NSW 2006
e-mail: acirrt@econ.usyd.edu.au
Website: http://www.econ.usyd.edu.au/acirrt/

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

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