Alban Gillezeau
Shannon O’Keeffe
John Buchanan, Ron Callus, Shannon O’Keeffe
Betty Arsovska, Kristin van Barneveld, Ali Fallahi, Dymphna Hawkins, James Judge, Murray Woodman

Shannon O’Keeffe
Murray Woodman

University of Sydney

KOPYSTOP

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The Director,
ACIRRT,
Building H03,
University of Sydney, 2006,
or telephone (02) 351 5626, fax (02) 351 5615
or email acirrt@sue.econ.su.oz.au.

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ISBN: 1 86451 230 X
Executive Summary

Part 1. Wage Increases and Innovation in Recently Registered Agreements

Part 2. Leave Arrangements

Part 3. Workplace Relations Bill

ADAM Services & Technical Appendix
Executive

Part 1: Key Features in Enterprise Agreements

Wage Increases in Agreements

The average annual wage increase for agreements registered in the March quarter of 1996 was 6.5%, up from 5.2% in agreements registered in the December quarter 1995. A preliminary analysis of agreements for the June quarter suggests that this increase is continuing.

To minimise the possibility of short term fluctuation, ACIRRT calculated the average annual wage increase for all current agreements on the database. The average was found to be a more modest 5.2%.

However, in relation to both wage increase figures, industry variations need to be considered. ADAM has consistently found that while agreements from Mining, Manufacturing, Transport and Storage have higher than average wage increases, Recreational and Personal services agreements are considerably lower.

Innovative Clauses

ADAM 9 contains a selection of the more innovative clauses contained in agreements registered in the March quarter. The clauses reported relate (amongst other things), to childcare, overtime arrangements in local government, and performance indicators.

Part II: Employment Regulation and Leave Arrangements

Part II provides some historical understanding of the mechanisms underpinning leave entitlements for state and federal employees in Australia. It then moves on to report what is happening to leave in enterprise agreements, before making comparisons with OECD standards.

Maternity leave is referred to in only 6% of agreements on ADAM. These clauses usually simply reiterate workers existing statutory entitlement to 52 weeks unpaid leave. Paid maternity leave is a feature of only 8 agreements on ACIRRT’s entire database of 2195 agreements. The 52 weeks unpaid leave is found to be somewhat odd by international comparisons. Most OECD countries opt for a shorter period of maternity leave (10-20 weeks) that is paid. Payments are made not by the employer but by the social security system (at varying rates of pay, but not infrequently at 100% of wage).

All Australian employees are entitled either by legislation or award, to 4 weeks paid annual leave. While this is above the ILO minimum standard of 3 weeks annual leave, it is on a par with most of Western Europe. However, in some European countries, workers are able to top up their annual leave entitlement through collective bargaining. This does not seem to be happening in Australia. Only 20% of ADAM’s enterprise agreements refer to annual leave, and most simply restate the 4 week standard (or longer period in the case of 7 day shift workers). Three percent of enterprise agreements on ADAM have used collective bargaining in an attempt to make annual leave more flexible and compatible with the firm’s business cycle.
Summary

Sick leave entitlements are again largely determined by statute or award, with most enterprise agreements silent on the issue. Of those that do make reference to sick leave, there is little evidence of a direct attempt to cut the number of sick days an employee is entitled to, but there is some interest in sick leave bonus and other incentive schemes designed to reduce absenteeism.

Part III: The Workplace Relations Bill (Cth) 1996: A Labour Market Analysis

The drafting of the Liberal Government's Workplace Relations and Other Legislation Bill 1996 is bound to have a significant effect on workplace bargaining in Australia. Part III of this report lists the key features of the Bill in relation to workplace bargaining, and analyses its likely impact on the labour market. Specifically, the analysis focuses on:

- the proposed reduced role for the A IRC,
- the proposal to limit the scope of awards
- the introduction of individual contracts (to be known as Australian Workplace Agreements).

The report concludes that the Bill, if passed in its present form, will have the immediate effect of limiting the choice of bargaining arrangements for parties that would have preferred to stay on awards. The restriction of matters that are allowed to be contained in awards will effectively force many employees and employers who want comprehensive employment regulation onto AWA's, despite the fact that this may not be their most preferred option.

As far as the impact of the Bill on wages and conditions is concerned, ACIRRT argues that the Bill will have a disparate effect on the various segments of the labour market. It is the non-unionised, small to medium sized corporations, in the white-collar private sector who will be most likely pushed onto AWA's. This group is largely comprised of casuals, females, and young people. Groups who have the least bargaining power in negotiating a contract of employment.

ACIRRT's research suggests that the most immediate effect of the introduction of secret AWA's will not be any drop in wages as such, but will be alterations of working time arrangements in ways that will benefit the employer at the expense of the employee.

The most effective way to avoid these negative outcomes, would be to amend the Bill as follows:

- no limit on the issues awards can cover
- awards to be the benchmark for all forms of bargaining, (not a restrictive set of statutory minima)
- at the very least, standards concerning working time to be included as one of the minimum conditions
- increase in vetting requirements for AWA's
- the contents of AWA's (minus the names of the parties) to be made publicly available.
Wage Increases and

The ADAM database contains information from 2195 enterprise agreements. These are drawn from the Federal, New South Wales, Queensland and Western Australian jurisdictions. The database also contains detailed information on enterprise agreements across the range of industry classifications. The composition of the database by jurisdiction is shown in Table 1.1 in the margin.

Duration of Enterprise Agreements

Table 1.2 shows the average duration for enterprise agreements registered in the years 1993 to 1995. The average duration of agreements registered in 1995 was 20 months. Recreational and Personal Service agreements have recorded a lengthening of agreements over this period of 5 months with most other industries having fluctuating average durations over this period.

Table 1.2: Duration of Current Enterprise Agreements by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>1993 Average Duration (months)</th>
<th>1994 Average Duration (months)</th>
<th>1995 Average Duration (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining/Manufacturing</td>
<td>21</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>Food, Beverage &amp; Tobacco Manufacturing</td>
<td>17</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>16</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Metal Manufacturing</td>
<td>17</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>16</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Wholesale / Retail Trade</td>
<td>20</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td>Transport / Storage</td>
<td>18</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td>Finance Services</td>
<td>24</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td>Public Administration</td>
<td>21</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Community Services</td>
<td>18</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Recreational &amp; Personal Services</td>
<td>20</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>All Industries</td>
<td>19</td>
<td>18</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: ADAM, July 1996, N=1051

Wage Increases in Enterprise Agreements Registered in the March 1996 Quarter

Average Annual Wage Increase

The average annual wage increase for enterprise agreements registered in the March quarter of 1996 was 6.5%. This is up from the 5.2% average annual wage increases reported for the December quarter of 1995. A preliminary analysis of enterprise agreements registered in the June quarter suggests annual average wage increases of above 6% will continue. These increases are broadly based, with above average wage increases present in enterprise agreements across a range of industries.

Table 1.3 shows the content of four enterprise agreements containing high average annual wage increases. As indicated in previous issues of the ADAM Report, there is a wide variation in the content of enterprise agreements with high wage increases. Flexibility in working time arrangements continue to be a
provision common to most enterprise agreements with high average annual wage increases.

Table 1.3: The Content of High Wage Increase Enterprise Agreements

<table>
<thead>
<tr>
<th>Industry</th>
<th>Total Wage Rise</th>
<th>Average Annual Wage Increase</th>
<th>Number of Periods for Increase</th>
<th>Duration (months)</th>
<th>Key Provisions</th>
</tr>
</thead>
</table>
| Transport Agreement | 18.5% | 18.5% | 3 | 12 | • Consultative Committee to examine specific ways to improve productivity, efficiency and flexibility  
  • Flexible starting and finishing times, daily hours, RDOs  
  • Multiskilling and job flexibility |
| Food, Beverage & Tobacco Manufacturing Agreement | 10.5% | 10.5% | 3 | 12 | • new shift arrangements and changes to staffing levels  
  • trial to assess the effectiveness of the changes  
  • cross-skilling  
  • Productivity matrix with access to additional productivity based wage increases |
| Other Manufacture (Furniture) Agreement | 10% + $9 | 10% + $9 | 5 | 12 | • 3 wage increases backdated  
  • If at the expiry of the agreement C.P.I increases are greater than wage increases offered the company will make up the difference  
  • Flexible Working Times  
  • Payment of untaken sick leave  
  • Waste Reduction  
  • Smoking Policy  
  • Establishment of enterprise Consultative Committee |
| Construction Agreement | 18.5% | 9.25% | 4 | 24 | • Consultative Committee to have genuine discussions to develop means of achieving gains in productive |

Source ADAM, July 1996

As can be seen from the Construction Industry agreement in the table above high average annual wage increases are not always awarded in exchange for significant change at the workplace.

**Wage Increases in Current Enterprise Agreements**

Table 1.4 shows that when wage increases in current enterprise agreements (those had not expired at July 1, 1996) are examined, the highest wage increases can be found in the Mining and Construction and Transport and Storage industries. Current agreements from the Service industries contained the lowest average annual wage increases, with the Recreational and Personal Services Industry considerably lower at 3.1%.
Table 1.4 Wage Increases in Current Enterprise Agreements

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Annual Wage Increase %</th>
<th>Highest Annual Wage Increase %</th>
<th>Lowest Annual Wage Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining/Manufacturing</td>
<td>7.8</td>
<td>18.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Food, Beverage &amp; Tobacco</td>
<td>5.3</td>
<td>10.5</td>
<td>1.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>5.0</td>
<td>10.29</td>
<td>0.67</td>
</tr>
<tr>
<td>Metal Manufacturing</td>
<td>5.2</td>
<td>9.25</td>
<td>2</td>
</tr>
<tr>
<td>Electricity, Gas &amp; Water</td>
<td>5.2</td>
<td>11.1</td>
<td>1.25</td>
</tr>
<tr>
<td>Wholesale / Retail Trade</td>
<td>4.7</td>
<td>9</td>
<td>0.33</td>
</tr>
<tr>
<td>Transport / Storage</td>
<td>5.9</td>
<td>18.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Finance Services</td>
<td>4.6</td>
<td>9.25</td>
<td>0.75</td>
</tr>
<tr>
<td>Public Administration</td>
<td>4.6</td>
<td>9.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Community Services</td>
<td>4.4</td>
<td>9</td>
<td>0.73</td>
</tr>
<tr>
<td>Recreational &amp; Personal Services</td>
<td>3.1</td>
<td>9</td>
<td>1.17</td>
</tr>
<tr>
<td>All Industries</td>
<td>5.2</td>
<td>18.5</td>
<td>0.33</td>
</tr>
</tbody>
</table>

Source ADAM Database, July 1996 n= 641

Interesting Clauses in Recent Enterprise Agreements

Access to Childcare

Community Services Industry
Free child care for staff rostered to work at any one time is allowed with a maximum of 3 hours free creche use. Hours in excess of this will attract the existing rates as for casual users.

OHS

Manufacturing Industry
Clothing Issue
The clothing issue system was introduced to provide employees with protective clothing on a needs and selection basis. A greater variety of clothing items has been introduced over time, a large number at the employees’ request, others to meet safety standards and overall, to assist employees in avoiding needless item stockpiles.

Clothing Issue System
The following system is coordinated by the Personnel Officer in conjunction with line managers.
1. Employees will be allocated 20 points in January and 17 points in June to be spent on clothing, within the company approved list of items.
2. Clothing items can be purchased only in January and June for supply to employees in March and September respectively.
3. No more than 70 points may be spent each year.
4. New employees will be issued with the clothing items appropriate
Innovations

to the season, in which they commence employment with the company.

5. The company will replace accidentally damaged clothing only after consideration of each case on its merit.

6. Where an employee is required to wear overalls due to the nature of the job which he/she performs, then he/she will be required to make their choice of clothing under the points system, according to the requirements of the job. This will not apply to initial issues or where an employee changes jobs. In this case the Company will supply the first overall issue without deducting from the employee’s annual points allocation.

7. Personal protective equipment will be supplied on a need basis.

8. Employees must wear company uniforms whilst at work.

9. Employees must be neatly and cleanly attired and maintain their uniforms in good order.

Clothing Points System

<table>
<thead>
<tr>
<th>Goods</th>
<th>Current Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trousers</td>
<td>4</td>
</tr>
<tr>
<td>Shorts and Socks</td>
<td>4</td>
</tr>
<tr>
<td>Shirts</td>
<td>3</td>
</tr>
<tr>
<td>- Long Sleeve</td>
<td></td>
</tr>
<tr>
<td>- Short Sleeve</td>
<td>3</td>
</tr>
<tr>
<td>Red Grand Slam T-Shirts</td>
<td>3</td>
</tr>
<tr>
<td>Sloppy Joe Jumpers</td>
<td>8</td>
</tr>
<tr>
<td>Jumper</td>
<td>8</td>
</tr>
<tr>
<td>Vest</td>
<td>8</td>
</tr>
<tr>
<td>Summer Jacket</td>
<td>8</td>
</tr>
<tr>
<td>Winter Jacket-Bomber</td>
<td>10</td>
</tr>
<tr>
<td>- Castro</td>
<td>10</td>
</tr>
<tr>
<td>Overalls</td>
<td>6</td>
</tr>
<tr>
<td>Work Socks</td>
<td>1</td>
</tr>
<tr>
<td>Thermal - pants</td>
<td>6</td>
</tr>
<tr>
<td>- vest</td>
<td>6</td>
</tr>
<tr>
<td>- socks</td>
<td>3</td>
</tr>
<tr>
<td>Hats</td>
<td>8</td>
</tr>
</tbody>
</table>

Overtime Arrangements

Local Council Agreement
a) The first 20 hours of overtime per year per employee shall be paid at ordinary time rates or taken as time off in lieu of overtime at ordinary time.

b) Overtime worked in excess of 20 hours per year shall be paid pursuant to the award provisions.

c) Overtime can be accrued up to a maximum of 38 hours per annum to be used for time off in lieu at the appropriate rate. Any overtime accrued in excess of these hours is to be paid within 2 months of incurring overtime.

d) Where overtime has been accumulated such overtime is either to be paid out or taken as time off in lieu at the appropriate rate prior to June 30th each year, unless prior arrangement is made with the District Clerk for the time to be carried over.
Wage Increases and

Hours of Work

Metal Manufacturing Agreement

Hours of work will be based on 38 hours per week. Start 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 hours five (5) day 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. These working shifts, including starting and finishing times, may be varied to suit the requirement of the plant subject to consultation and final agreement.

Performance Indicators

Construction Industry Agreement

1. The Consultative Committee as part of the continuous improvement programme has identified Key Performance Indicators (KPI). These indicators will be monitored on a monthly basis to analyse progress.
2. The KPI’s are:
   a) ABSENTEEISM: Remains at current or below current levels
   b) LOST TIME INJURIES: Objective to reduce lost time injuries to zero
   c) RE-WORK: Dollar value to reduce below $40,000 for the year
   d) Also other costs such as CONSUMABLES MAINTENANCE AND REPAIRS can be reduced from the current levels shown below -
      Consumables                  $84,000
      Tool Replacement             $36,000
      Repairs and Maintenance      $72,000
      Light and Power              $84,000
   e) COST OVERRUNS on jobs to be reduced: no waste time
   f) HEALTH AND SAFETY CHECKS: to be regularly made and standard assessed.
   g) HOUSEKEEPING: Each person to be responsible for own work area
   h) PRODUCTIVITY:
      Target 65% = \[
      \frac{\text{Normal Time Worked Productively}}{\text{Normal Time Hours Available}}
      \]
   i) JOB MARGINS:
      Target 21.5% = \[
      \frac{\text{Total Invoice Cost Amount x 100}}{\text{Total Invoiced To Customer}}
      \]
   j) To assess progress the Consultative Committee will review factory reports on a regular basis. At least bi-monthly.

Training and Performance

Retail Industry Agreement

Training
(a) Performance Meetings / Training and Development
The company is committed to ongoing training and development
programmes and performance meetings which will be conducted outside normal trading hours. Time off in lieu will be granted for any hours given by a team member in order to participate in performance meetings and training programmes.

(b) Training and Development Funding
Further training and development will be provided by using a maximum of 10% of retail turnover to contribute to Training and Development for the team. Retail turnover is kept in a separate account from which retail stock payments will be made from. Budget for retail turnover will be set at 15% of total turnover.

Performance Payments
(a) Profit Sharing
Recognition and Rewards will be paramount during the year with the objective to reward and recognise team performance and encourage stability, thus reaching staff turnover.

For any amount over and above budgeted total turnover for the financial year, the same amount will be subject to a 10% bonus to be shared between the team. For example budgeted turnover is $250,000 for the financial year. Where the actual turnover exceeded that amount by $10,000 for the same period, then $1,000 will be shared between the team members. This will be shared on a pro rata basis of the period of time worked over that year.

(b) Bonuses
The employer will operate a bonus system whereby all team members will cooperate to increase the productivity of the salon. All team members will share in the financial benefits achieved by the salon on a weekly basis.

(c) Incentives
Team members achieving budget each month will be recognised and rewarded with a double movie pass. Also every quarter, each team member with the greatest contribution towards the Salon in respect to Customer Service, Team Work and Services and Retail will be recognised and rewarded with one of the following:
   • Double Mystery Flight
   • Dinner and Accommodation for two on a Saturday night at a 5 star hotel

Budgets for each team member is set at 3 times their base salary not including any profit sharing/bonuses/incentives. This is an industry benchmark and achievable. Although it could be argued that some of the recognition/rewards are oriented towards individuals, it must be stressed that the team is committed to the win-win philosophy. This will be monitored closely so as to ensure everyone is a winner.

(d) Incentives
Each team member will be entitled to services to the value of $500 per year.

Performance Measurements
Performance measurements will include Financial, Human Resource and Quality Indicators. Key Performance indicators are as follows:
Financial
• Conversion rate = No. Of Sales/No. of Customers x 100/1
• $ per customer = $ Sales/ No. of Sales

Human Resource
• Staff Turnover = Staff Left/Staff Total
• Absenteeism = Days Worked/ Total days Available

Customer satisfaction
• Clientele survey

Each team member's performance will be monitored. This includes actual vs budget turnover, service/retail. Performance meetings will be held each week to monitor results.

Cultural Awareness

Construction industry Agreement
Aboriginal Culture

Every employee engaged on the project must make themselves aware of the Aboriginal culture predominant throughout the area and endeavour not to denigrate such culture under any circumstances.

During the project induction, matters pertaining to environmental protection requirements and Aboriginal culture will be examined.
Leave Arrangements

Leave Arrangements in Enterprise Agreements

History of Leave Arrangements in Australia

Traditionally, industrial awards have provided for many types of leave - annual leave, long service leave, sick leave, maternity leave, bereavement leave, leave for jury service and study leave. Enterprise bargaining has allowed workers and their employers to negotiate over leave arrangements to reflect workplace characteristics and business demands.

Annual leave was first introduced into the Federal award system in 1936 when workers employed under the Commercial Printing Award were granted one weeks’ paid leave. In 1944, the NSW Government enacted the Annual Holidays Act which gave two weeks’ paid annual leave to all workers under State awards. This was extended to Federal awards in 1945. In the early 1970s four weeks paid leave became the general standard. The 17.5% annual leave loading was also introduced at this time to provide for holiday expenses and compensate workers for the loss of non-standard pay (eg overtime). In the 1950’s a number of State governments introduced long service leave through legislation. The first Federal arbitrated long service leave awards were in 1964. The most common pattern is for 13 weeks’ leave to become available after 15 years’ service. State legislation also provides for portable long service leave for the construction industry. In 1979 unpaid maternity leave was introduced into Federal awards, and in a 1990 this benefit was extended to fathers in the form of paternity leave.

Most major awards make provision for sick leave, bereavement leave and jury service leave. Some awards also grant paid leave for work-related study and others make provision for leave to attend train union training. Table 2.1 shows the percentage of workers with access to various types of leave in 1992.

Table 2.1 Access to Leave Benefits by Employees (per cent of workers in main job)

<table>
<thead>
<tr>
<th>Type of Leave</th>
<th>Males</th>
<th>Females</th>
<th>Permanent</th>
<th>Casual</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holiday</td>
<td>85</td>
<td>70</td>
<td>98</td>
<td>0</td>
<td>78</td>
</tr>
<tr>
<td>Sick</td>
<td>84</td>
<td>70</td>
<td>98</td>
<td>0</td>
<td>78</td>
</tr>
<tr>
<td>Long-Service</td>
<td>73</td>
<td>59</td>
<td>82</td>
<td>5</td>
<td>67</td>
</tr>
<tr>
<td>Study</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: ABS, Employment Benefits, Australia, August 1992 (Cat. 6334.0)

Casual employees do not have access to holiday or sick leave and receive a loading on their ordinary wage to compensate for this. Almost all permanent employees have access to holiday and sick leave. Access to long service and study leave was highest amongst professional and clerical workers and workers in the public sector.

In recent years there have been several developments with respect to leave entitlements. The annual leave loading has come under attack from employer groups who unsuccessfully sought to have it removed from Federal awards in the mid 1980s. There has also been a growing interest in the role of leave in assisting workers to balance work and family commitments. In 1994 the Australian Indus-
trial Relations Commission determined that workers under Federal awards would in future be able to use sick or bereavement leave to care for family members.

The introduction of de-centralised bargaining systems at the State level has seen various leave conditions enshrined as minimum core conditions. These vary from state to state. For example, the Victorian legislation provides for a minimum of one weeks' cumulative sick leave per year, while the Western Australian minimum is 10 days sick leave per year, with the issue of whether or not the leave is cumulative being left to the parties to negotiate. The proposed Federal Workplace Relations Bill contains minimum standards for annual leave, long service leave, parental leave, sick and bereavement leave and jury service leave.

In 1994 the Department of Industrial Relations surveyed 11,000 employees about their experience of workplace change and bargaining. Table 2.2 shows that employees working in workplaces where agreements had been negotiated were most likely to report changes to leave arrangements in the year prior to the survey.

**Table 2.2 Employees Reporting Changes in Leave Arrangements (%)**

<table>
<thead>
<tr>
<th>Leave Provision</th>
<th>Federal Certified</th>
<th>Other Federal</th>
<th>State</th>
<th>Un-registered</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual/sick leave</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Special/family leave</td>
<td>24</td>
<td>12</td>
<td>17</td>
<td>17</td>
<td>7</td>
</tr>
</tbody>
</table>


**Maternity Leave**

Maternity leave provisions are a feature of around 6% of enterprise agreements. The most common provisions are those that state that maternity leave is statutory (5% of agreements). Whilst paid maternity leave provisions have received attention in the media, very few agreements contain such a provision (8 agreements on the ADAM database). In these agreements paid maternity leave ranges from 4 to 12 weeks at full pay. Some agreements also have the option of taking paid leave at half pay for a longer term. An enterprise agreement from the Community Services contains a typical provision for paid maternity leave:

a) The maternity allowance shall be equivalent to six weeks salary at the rate of salary the teacher would have received on the day the teacher commenced maternity leave if the teacher had not commenced maternity leave.

b) The teacher may elect to receive the maternity allowance either in accordance with the usual College payment schedule or as a lump sum payment in advance.

Table 2.3 indicates the duration of statutory maternity leave, whether cash benefits are paid and who pays these benefits for the OECD countries. In the majority of countries where cash benefits are paid for maternity leave, most are paid though the social security system.
Table 2.3 Maternity Leave in Selected OECD Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Maternity Leave</th>
<th>Cash Benefits (1)</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>8 weeks before &amp; 8 weeks after</td>
<td>100%</td>
<td>Social security</td>
</tr>
<tr>
<td>Australia</td>
<td>Federal: 52 weeks, States: 52 weeks</td>
<td>Unpaid</td>
<td>-</td>
</tr>
<tr>
<td>Belgium</td>
<td>7 weeks before &amp; 8 weeks after</td>
<td>82% for 30 days, 75% thereafter</td>
<td>Social security</td>
</tr>
<tr>
<td>Canada</td>
<td>Federal: 17 weeks, Provinces: 17-18 weeks</td>
<td>57% for 15 weeks</td>
<td>Unemployment insurance</td>
</tr>
<tr>
<td>Denmark</td>
<td>4 weeks before &amp; 14 weeks after</td>
<td>100% up to a ceiling</td>
<td>Social security</td>
</tr>
<tr>
<td>Finland</td>
<td>105 days</td>
<td>80%</td>
<td>Social security</td>
</tr>
<tr>
<td>France</td>
<td>6-8 weeks before &amp; 10-18 weeks after</td>
<td>84% up to a ceiling</td>
<td>Social security</td>
</tr>
<tr>
<td>Germany</td>
<td>6 weeks before &amp; 8 weeks after</td>
<td>100%</td>
<td>Social security up to a ceiling; employer pays difference</td>
</tr>
<tr>
<td>Ireland</td>
<td>14 weeks</td>
<td>70% up to a ceiling or fixed weekly rate</td>
<td>Social security</td>
</tr>
<tr>
<td>Italy</td>
<td>2 months before &amp; 3 months after</td>
<td>80%</td>
<td>Social security</td>
</tr>
<tr>
<td>Netherlands</td>
<td>6 weeks before &amp; 10 weeks after</td>
<td>100%</td>
<td>Social security</td>
</tr>
<tr>
<td>New Zealand</td>
<td>14 weeks</td>
<td>Unpaid</td>
<td>-</td>
</tr>
<tr>
<td>Norway</td>
<td>12 weeks before &amp; 6 weeks after</td>
<td>100% or 80%</td>
<td>Social security</td>
</tr>
<tr>
<td>Spain</td>
<td>16 weeks</td>
<td>75%</td>
<td>Social security</td>
</tr>
<tr>
<td>Sweden</td>
<td>6 weeks before &amp; 6 weeks after</td>
<td>Flat rate daily allowance</td>
<td>Social security</td>
</tr>
<tr>
<td>Switzerland</td>
<td>8 weeks after</td>
<td>100%</td>
<td>Employer</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>14-18 weeks</td>
<td>90% for 6 weeks &amp; flat rate thereafter</td>
<td>Social security</td>
</tr>
<tr>
<td>United States</td>
<td>Federal: 12 weeks, States: varies</td>
<td>Unpaid</td>
<td>-</td>
</tr>
</tbody>
</table>


1Cash benefits as a percentage or proportion of wages or insured earnings.

In terms of paid maternity leave on full pay, the entitlements in Denmark appear to be particularly generous with 18 weeks at full pay. Other countries with full pay entitlements include: Germany, Norway, Austria, Switzerland and the Netherlands. France and Italy both have long periods of paid maternity leave (16-26 weeks and about 20 weeks respectively), with cash benefits around 80%.

However, it should be noted that information in the table does not reflect differences in eligibility conditions in many countries, such as the length of employment and payment of social security contributions in order to enjoy leave and cash benefit entitlements. For example, in the UK to receive standard ma-
Part 2

Leave

ternity pay women must have 26 weeks of continuous service as of the 14th week before the expected week of confinement. In addition, their average earnings must not be less than the lower earnings limit for the payment of National Insurance Contributions (similar to the Medicare levy).²

In some countries, particularly in Scandinavia, parental leave provisions grant lengthy periods of paid leave which can be taken by either or both parents. However, a certain period of this parental leave is usually reserved for the mother as maternity leave, which is presented in the table³.

However, not only statutory entitlements should be considered. For example, whilst in Australia there is no statutory right to paid maternity leave, it exists in the federal public service (12 weeks on full pay) and for NSW and Victorian public servants. In certain sectors federal and State awards also provide for a period of paid maternity leave.⁴

A more accurate picture of maternity leave entitlements would be gained from examining the proportions of women in each country who are eligible for paid maternity leave as well as the level of benefits they receive.

Annual Leave

Annual leave arrangements are a common feature of enterprise agreements. In fact, 20% of agreements have a provision which states the number of weeks annual leave workers are entitled to. Whilst 4 weeks leave is the most common period, some agreements have a provision for up to 7 weeks annual leave per year. Three percent of agreements also have a provision for making annual leave more flexible or to reflect the business cycle.

A Community Services agreement has used their enterprise agreement to establish a rest and recreation fund in place of annual leave arrangements which allows for annual leave to be paid out at the end of each financial year as a bonus.

1. For each full-time employee a rest and recreation fund (the fund) will be established upon the 1st of July of each year of their employment.
2. The total number of days which can be in the fund for each employee at any one time is 19 days.
3. These days may be taken on a needs basis with the mutual agreement of the company.
4. Any untaken days will be paid out at the 1st of July of each year as a bonus.

Table 2.4 shows annual leave entitlements for workers in Europe and the United States. It shows that although the minimum ILO standard for annual paid leave is three working weeks in many Western European countries, the statutory level of annual paid leave has risen to four or even five weeks. In Austria, France, Luxembourg, Finland, Iceland, Sweden and Denmark annual paid leave stands at five weeks. In Spain and Portugal the statutory minimum is even higher at six weeks. Those countries providing four weeks paid annual leave include: Belgium, Greece, Malta, the Netherlands and Switzerland.
Arrangements

However, in practice the statutory minimum is often supplemented by collective agreements. For example, in (West) Germany the majority of workers are entitled to five weeks or more paid annual leave under collective agreements.

Some countries have no general legislation on holidays with pay but in the UK most workers have four weeks. In the US, whilst the estimated average paid vacation is just over three weeks, this figure conceals much variation. For example, salaried employees tend to have more favourable entitlements than hourly paid workers. Under collective agreements or in practice, most salaried employees have a basic holiday of two weeks while the majority of hourly paid workers have one week. In the US paid leave often increases with length of service. In Australia all employees are entitled to a minimum of four weeks annual leave, whether this be by arbitrated decision or employer agreement.

Sick Leave Provisions in Enterprise Agreements

Sick leave provisions are a feature of around 16% of enterprise agreements. Ten days per year is the most common allocation of sick leave. Enterprise agreements have allowed firms to alter sick leave entitlements for workers rather than the actual number of days. One of the more common changes is the use of sick leave incentive schemes which are aimed at reducing the level of absenteeism at the workplace. A Storage industry enterprise agreement has taken the approach of introducing a sick leave bonus system whereby employees are able to convert a portion of their untaken leave entitlement to a Christmas bonus.

In any calendar year of service in which an employee has taken six or fewer days of sick leave, the employee may elect to commute a portion of his or her sick leave accrual to a Christmas Bonus. In the case of employees who have taken six days of sick leave, the Christmas Bonus shall be equivalent to 8 ordinary hours pay, and in the case of employees who have taken five or fewer days of sick leave the Christmas Bonus shall be equivalent to 16 ordinary hours pay. In each such case the employee's accrued sick leave entitlement shall be reduced by the number of hours for which they have been paid a Christmas Bonus.

A Transport agreement has introduced a similar absenteeism reduction scheme.

Attendance Bonus Incentive
The company's objective is to reduce sick leave lost time to an acceptable level.

The plan is to offer an attendance bonus over an above the normal sick leave entitlement.

<table>
<thead>
<tr>
<th>Permanent Drivers</th>
<th>$400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take nil sick leave per year</td>
<td>$325</td>
</tr>
<tr>
<td>Take 2 sick leave per year</td>
<td>$250</td>
</tr>
<tr>
<td>Take 3 sick leave per year</td>
<td>$175</td>
</tr>
<tr>
<td>Take 4 sick leave per year</td>
<td>$100</td>
</tr>
<tr>
<td>Take 5 sick leave per year</td>
<td>NIL</td>
</tr>
</tbody>
</table>

Rather than paying out unused sick leave a manufacturing agreement pays employees a bonus for not being absent over a period.

Any employee who does not take unscheduled leave during a two month pe-
period shall receive a $100 attendance bonus for that two month period. (Unscheduled leave does not include annual leave or long service leave).

A Finance industry enterprise agreement also has a provision for long term illness which allows employees to draw an income from the firm for up to 12 months in the case of serious sickness.

In the case of prolonged illness the employer must pay an employee:
(a) 100% of salary for
(i) at least 4 weeks; plus
(ii) that further period of absence for which accumulated sick leave is available; and
(b) a minimum of 75% of salary for the balance of absence up to a maximum of one year in total.

Innovations in Leave Arrangements
Enterprise bargaining has provided the opportunity for workplaces to develop innovative leave arrangements which reflect the needs of their employees. A good example of this is a Public Administration agreement which has a provision for ceremonial or cultural leave.

Ceremonial/cultural leave
An employee who is legitimately required to be absent form work for their tribal/ceremonial/cultural purposes shall be entitled to take accrued annual leave without pay.
Such ceremonial/cultural shall include leave to meet the employee’s customs, traditional law and to participate in ceremonial/cultural activities.
Ceremonial leave shall be available but not limited to Aborigines and to Torres Strait Islanders

An innovation uncommon to enterprise agreements is found in a Recreational Services enterprise agreements which gives employees an additional day of leave per year.

In addition the birthday of each employee shall be treated for the purposes of this clause as a public holiday for that employee only. Where this day falls on a nominated public holiday the next normal work day shall be substituted.

Conclusion
Australian workers' leave entitlements are not excessive by international standards. It appears that enterprise agreements are not generally extending rights to additional leave. Rather, where leave related issues are dealt with, these either reiterate statutory entitlements or modify the way in which the entitlement may be exercised. As such innovation primarily concerns flexibility as opposed to additional rights to take time off work.
The impact of the *Workplace Relations and Other Legislation Amendment Bill 1996*

ACIRRT recently presented a written submission to the Senate inquiry into the *Workplace Relations and Other Legislation Amendment Bill 1996*.

As currently structured, we believe the Bill would reduce the bargaining choices available to employers and employees. Currently a variety of methods are available for setting pay and conditions. As discussed in ADAM, some 65 per cent of employees rely on awards or a combination of awards and registered agreements for the setting of their pay and conditions. The Bill would effectively limit the choices available to these employees (and their employers) by:

- reducing the matters that can be included in awards
- limiting the capacity of the AIRC to arbitrate
- replacing award standards with less comprehensive statutory minima

While agreements may be comprehensive documents that regulate a wide range of employment matters, employers and employees that preferred awards as the primary regulatory mechanism will not be able to have such comprehensive awards. Effectively the only way to have wages and conditions comprehensively regulated will be through an agreement.

The proposal to limit the choices available, and the manner in which the Bill proposes to do this, is likely to have a number of significant adverse equity and efficiency implications. These arise from the nature of the labour market.

It is well recognised the Australian labour market is highly structured and differentiated. For the purpose of industrial relations analysis the Australian labour market can be broken down into four segments:

- public sector workplaces
- large (50 or more employees) private sector workplaces
- small to medium (less than 50 employees) blue-collar, private sector workplaces
- small to medium, white collar, private sector workplaces.

The industrial relations regulatory framework does not have the same impact on all areas of the labour market. Some areas have made considerable use of registered agreement provisions while other areas continue to rely almost entirely on awards for the setting of minimum pay and working conditions.
Table 1 shows the characteristics of these labour market segments:

### Table 1: Segments of the Australian Labour Market: Early 1990’s

<table>
<thead>
<tr>
<th>Labour Market Segments</th>
<th>Typical Award Coverage (1)</th>
<th>Typical Union Density (2)</th>
<th>Proportion of Workplaces Covered by Enterprise Agreements or Dependent on award (3)</th>
<th>% of Total Workforce in this Segment (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Registered EA’s</td>
<td>Unregistered EA’s</td>
</tr>
<tr>
<td>1. Public Sector</td>
<td>90%</td>
<td>77%</td>
<td>50%</td>
<td>5%</td>
</tr>
<tr>
<td>- Public Admin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Electricity, Gas &amp; Water Cost, week</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Public Community Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Private Sector</td>
<td>70%</td>
<td>54%</td>
<td>30%</td>
<td>15%</td>
</tr>
<tr>
<td>Large Enterprises (50+)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Mining/Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transport</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Retail</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Hospitality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Small/Medium</td>
<td>75%</td>
<td>33%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>(a) Blue collar</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Mining/construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transport</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) White Collar</td>
<td>80%</td>
<td>16%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>- Retail</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Recreation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Private Community Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
2. Unpublished AWIRS data. Figures are average workplace union density for workplaces with five or more employees. The percentage of employees who are union members

Unpublished data from the 1989-90 Australian Workplace Industrial Relations Survey shows that small white collar workplaces in the private sector have the highest incidence of casual, youth and female employment. It is employees in these workplaces which are most vulnerable to any erosion of the award system. These groups of employees are also the least likely to be able to effectively negotiate a fair employment contract because of their low levels of unionisation and lack of bargaining experience and power. And it is precisely this group of employees who have the most potential to be moved onto AWA’s: they are non-unionised, and though largely covered by state awards, predominantly work in incorporated organisations that will now be able to access the federal system through AWA’s.

Because the needs and priorities of the different labour market segments identified in Table 1 are varied, the impact of the Bill is likely to be uneven. Those at the bottom of the labour market will be most at risk. While unemployment
continues at over 8%, workers with few skills will have little choice other than to accept employment contracts offered by employers on a take it or leave it basis.

**Changes to Working Time the Most Likely Negative Impact**

While the implication of the Bill for rates of pay is an important consideration, equally important is the effect of the Bill on employment conditions, particularly working time arrangements. The hours we work, and when we work them, have a significant impact on the quality of employees’ lives.

Our research reveals that under the system of enterprise bargaining promoted since 1991, increased flexibility in working time is one of the most common provisions in registered enterprise agreements, and is included in 75% of such agreements.\(^\text{10}\) Details of working time provisions in agreements are provided in Table 2.

**Table 2: Hours Arrangements in Certified Agreements**

<table>
<thead>
<tr>
<th>Provision</th>
<th>INDUSTRY (% of agreements with provision)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retail (n=53)</td>
</tr>
<tr>
<td>Changes to Hours</td>
<td></td>
</tr>
<tr>
<td>Employer Has Discretion to Vary Hours</td>
<td>30</td>
</tr>
<tr>
<td>Hours Changed by Mutual Agreement</td>
<td>15</td>
</tr>
<tr>
<td>Overtime</td>
<td></td>
</tr>
<tr>
<td>Overtime Paid At Single Rates</td>
<td>13</td>
</tr>
<tr>
<td>Time Off In Lieu Of Overtime</td>
<td></td>
</tr>
<tr>
<td>At Single Rates</td>
<td>17</td>
</tr>
<tr>
<td>At Overtime Rates</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: ACIRRT (1996) Agreements Database and Monitor, June

Research undertaken by ACIRRT has revealed that these changes can often have highly adverse affects on health of employees and disrupt their family lives.\(^\text{11}\) Key problems include: open-ended workloads, unpredictability in hours worked, short staff covered by ‘flexible hours’ staff and increased intensification in the pace at which work is performed.

Our analysis of 25 secret individual contracts in Western Australia\(^\text{12}\) and an analysis of 116 Victorian employment contracts\(^\text{13}\) reveals that the undermining of working time entitlements for employees is even more severe in these highly deregulated jurisdictions. For example, these latter agreements tend to have no minimum call times, often pay overtime at a single rate, and effectively take any protections and rights to predicable in hours away from employees.
ACIRRT believes that the legislation should be amended to ensure that terms regulating an employee’s hours and working time arrangements under an agreement be no less favourable than those which would apply under the relevant award. As the Bill currently stands, there is no limit on the number of hours or the pattern of hours that can be included in an award, a CA or an AWA.

ACIRRT’s other suggested amendments are designed to maintain a viable award system, improve the minimum standards that underpin bargaining, (especially in relation to working time arrangements) and improve the vetting arrangements for AWAs. The suggestions are as follows:

(i) **There should be no limitation on issues that awards may cover**

To protect the interests of the most vulnerable segments of the labour market, ‘allowable award matters’ should continue to include any industrial matter.

(ii) **Awards as the reference point for certified agreements and AWAs**

Minimum conditions should become all conditions contained in the applicable award.

The onus should be on employers to show why any particular award provision should be changed or deleted before an agreement could be approved. This would involve importing or retaining a ‘no disadvantage’ test in the legislation.

(iii) **Additional minimum conditions for AWAs and Agreements**

If the objects of the Act concerning improving living standards, and balancing work and family commitments are to be fulfilled, we submit that there is a need to ensure that there be provision for a minimum condition concerning hours and working time. The award standard would be the most appropriate reference point.

(iv) **Delete the prohibition on awards to set maximum or minimum hours for regular part timers.**

This provision allows hours of these employees to be changed solely at the discretion and whim of management. This creates havoc for persons trying to manage work and family responsibilities, and should be deleted.

(v) **Deletion of s152(3) of the Bill**

This section seeks to give non-unionised unincorporated firms the option of reaching an enterprise agreement at a state level by stating that such an agreement will override a federal award. These employers would only be subject to the variable minimum conditions of each State jurisdiction, some of which do not include any working time minimum condition.

(vi) **Increase employer’s reporting requirements for AWAs**

Employers should be made to ensure that the proposed AWA will not breach minimum conditions before the agreement is registered. More importantly, employees need to be informed before they sign the agreement of what changes in their employment conditions will result from the registration of the AWA. At the moment, the Bill imposes no such requirements for filing of AWA’s.

(vii) **Need to vet AWAs**

It is important that prior to approval, AWAs are vetted by an independent agency to ensure they do not propose to breach minimum conditions. There
seems no logical reason that this function should not remain under the auspices of the AIRC.

(viii) All Certified and Workplace Agreements should be publicly available

The Bill proposes to make AWA's confidential documents, the contents of which are only to be known to the parties to the agreement. This ignores the fact that one employer may employ several or many employees. Thus the employer has information that is not available to the employee. ACIRRT thus suggested that agreements should be made public, but with the names of parties deleted to preserve confidentiality.

**Conclusion**

If enacted in its current form, the *Workplace Relations Bill* would greatly reduce the bargaining options available to people. In particular, the proposals to reduce the relevance of awards and the AIRC combined with the introduction of secret individual contracts of employment will leave the weakest parts of the labour market vulnerable to exploitation. We estimate that the 38% of workers in small to medium size, white collar private sector firms are most likely be adversely effected. While hourly wage rates are unlikely to change much in the short run, the changes to working time arrangements are likely to dramatic. To ensure that the weakest segments of the workforce are protected, it essential that the Bill is amended to preserve the relevance of the AIRC and awards and to ensure individual contracts are public and open to scrutiny.

**Endnotes**

1. Much of the historical detail which follows comes from CCH, *Australian Labour Law Reporter*.
3. ILO, 1994, p469
6. ILO, p210
7. ILO, p211
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) 351 5626 or fax (02) 351 5615.
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.