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Agreements Database And Monitor REPORT

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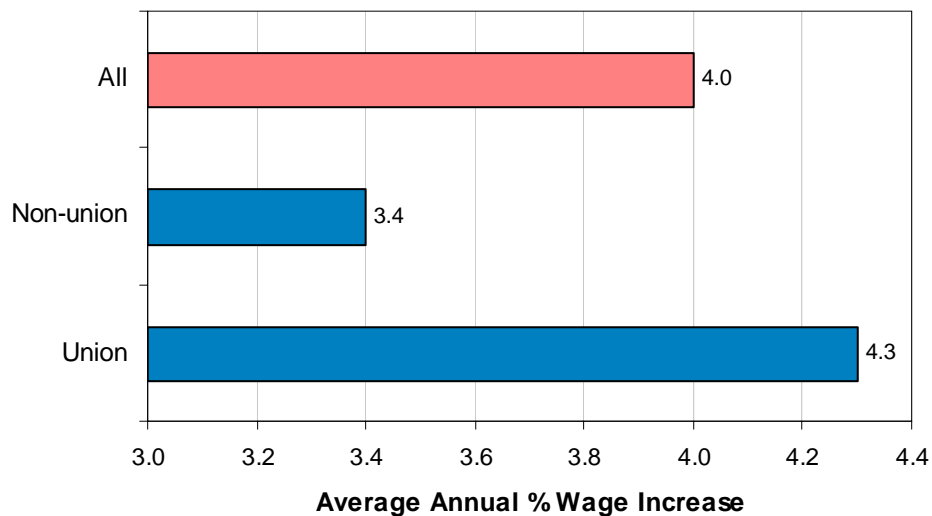
wage trends

wage increases in June 2003 quarter certified agreements

The average annual wage increase for certified agreements registered in the June 2003 quarter was 4.0% (per agreement), down by 0.2% percentage points from 4.2% in the March 2003 quarter.

A narrowing gap between average annual wage increases in union and non-union agreements was reported (4.3% and 4.1% respectively) in the March 2003 quarter *ADAM Report No # 37*. Figure 1.1 below shows that in the June 2003 quarter, this gap has increased delivering average annual wage increases of (4.3% and 3.4% respectively).

Figure 1.1: June 2003 quarter average annual percentage wage



Source: ADAM Database, 2003, ACIRRT, University of Sydney.

high wage outcomes in June 2003 quarter agreements

In this quarter, high wage increases were often given in exchange for the absorption of entitlements, such as allowances and overtime payments. However, several agreements also provided for substantial wage increases in exchange for the introduction of new classification systems. These were introduced to promote increased levels of functional flexibility as well as accommodated technological change.

A number of agreements continued the trend of complementing wage increases with bonus payment systems that provided employees with lump sum payments, rather than weekly wage increases. These systems were aimed at increasing productivity as well as improving safety performance. One interesting omission from this quarter, was the presence of 'at risk' wage increases. There was little evidence of enterprises directly linking weekly wage increases to KPIs or individual performance appraisal.

Agreements also linked wage increases to increased rostering flexibility. Certain agreements provided higher wage increases to those employees that were willing to work a more flexible roster of hours than those generally provided for in the agreement.

Table 1.1: key features of higher than average wage increases in June 2003 quarter enterprise agreements

Industry (AAWI)	Key Provisions
<p><i>Railway Transport Sector</i></p> <p>(AAWI 22.0%)</p>	<ul style="list-style-type: none"> • A one-off wage increase of 22 per cent is paid upon certification of this agreement. • This increase has absorbed all weekend penalty payments that employees received under the relevant award. Compensation for all night shift allowances received by employees is also included in this increase. • An additional allowance of between \$25 and \$50 per week is paid in recognition of an increase in the use of rostering flexibility initiatives included in the agreement. Employees can now be rostered to work on any day Monday to Sunday. This is a flat allowance and is not included in the hourly rate of pay.
<p><i>Construction materials manufacturing sector</i></p> <p>(AAWI 8.00%)</p>	<ul style="list-style-type: none"> • An average wage increase of 8 per cent is paid over the duration of this 18-month agreement, paid over three installments. • This increase has absorbed travel, toxic substance, and rostering flexibility allowances. A 17.5 per cent annual leave loading has also been incorporated into the wage increases provided. • In addition, employees are able to receive a bonus based on various key performance indicators (KPIs). These include safety, quality of product and efficiency measures. Management and employees will jointly monitor the effectiveness of these KPIs.
<p><i>Glass manufacturing sector</i></p> <p>(AAWI 7.00%)</p>	<ul style="list-style-type: none"> • A maximum wage increase of 7 per cent is payable in two equal installments over the 12 month life of this agreement. • In addition to these increases, employees receive a weekly skills increment allowance. There are three skill level allowances provided and these are cumulative, recognizing and rewarding highly skilled employees. • Additional penalty and overtime payments are still received by employees with no other visible trade-offs being observed.

<p><i>Power generation sector</i></p> <p>(AAWI 6.59%)</p>	<ul style="list-style-type: none"> • This agreement provides for an average increase of 19.76 per cent over a 36-month period. All increases are fixed but vary due to three categories of employment provided for in the agreement. The first category of worker will receive a 12 per cent wage increase over the life of the agreement. Employees in this category will work a 36.25 hour week and have their hours rostered over a nine-day fortnight. All other relevant penalty and overtime payment will apply. • The second category of worker is required to work a 40 hour week. As a result, these employees will receive an increase of 27.5 per cent over the life of the agreement as they receive an additional all-purpose payment of 5.625 hours per week for payment of additional hours worked. • The third category of workers can be offered employment under individual contract arrangements. These employees receive a 28.9 per cent wage increase over the life of the agreement. This includes a 16.9 per cent wage increase in lieu of annual leave loading, increased flexibility in hours worked and various allowances such as higher duties and first aid. • In addition, if the CPI has increased by more than 12.49 per cent on expiry of the agreement, salaries will be increased by the relevant amount to ensure there is not a reduction in real wage levels.
<p><i>Food manufacturing Sector</i></p> <p>(AAWI 6.00%)</p>	<ul style="list-style-type: none"> • A guaranteed average wage increase of 6 per cent over the 24-month duration of this agreement will apply • The only apparent trade-off for these wage increases is the absorption of all purposes allowances. Award overtime and penalty rates continue to apply. • In addition, employees will participate in a productivity bonus scheme. This bonus will be based on productivity targets and will be paid yearly. Employees will earn a maximum of \$200 per bonus period.
<p><i>Recreational services sector</i></p> <p>(AAWI 5.50%)</p>	<ul style="list-style-type: none"> • An average wage increase of 5.5% is paid over the duration of this three-year agreement. This is paid in three installments and there does not seem to be any absorption of penalty or overtime payments. • However, employees have agreed to the introduction of a new classification system. This has provided employees with an average in base wage rates ranging from 9 to 16 per cent for most positions. • Employees are now required to work any day of the week and have their hours rostered over a four week period.

Source: ADAM Database, 2003, ACIRRT, June 2003 Quarter, University of Sydney.

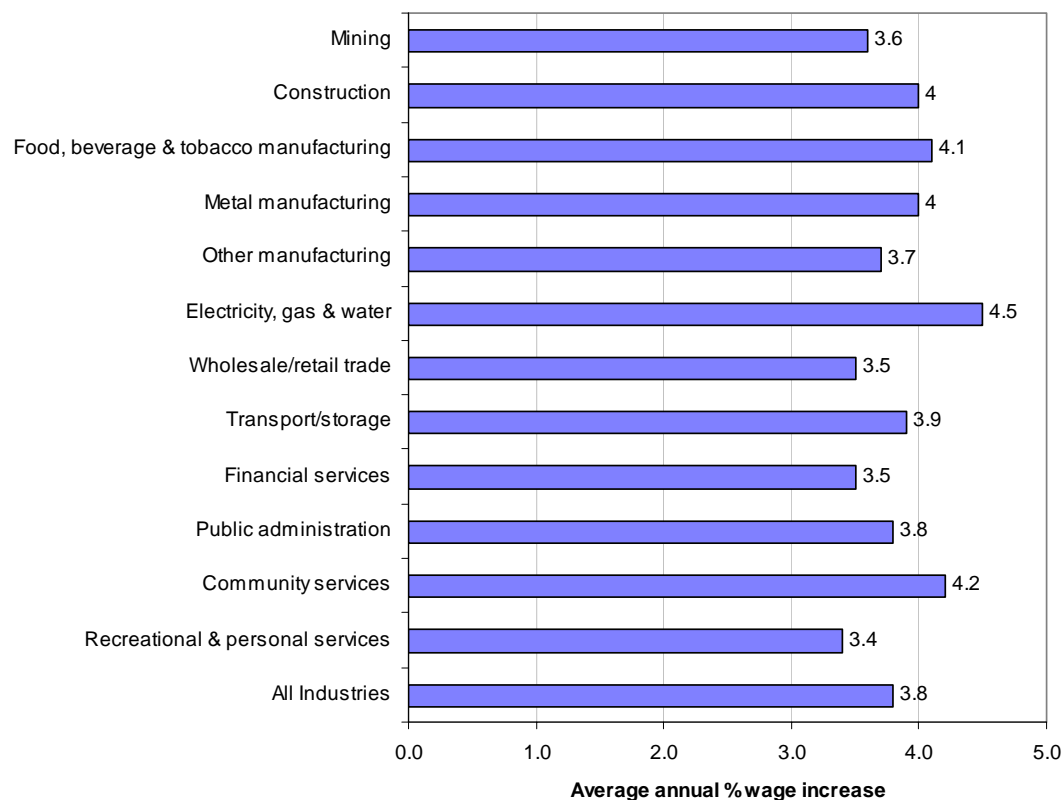
Note: High wage agreements are defined as those delivering an AAWI of 5% or above.

wage outcomes in current collective agreements

The average annual percentage wage increase for all currently operating agreements (as at the end of the June 2003) was 3.8%, slightly down from the previous quarter (3.9%).

There have been slight changes since the previous *ADAM Report No 37*. Figure 1.2 shows that again the electricity, gas and water industries lead the wage increase outcomes followed by the community services industries, delivering annual average wage increases of 4.5% and 4.2% respectively. The recreational and personal services industry provides the lowest annual wage increase of 3.4%.

Figure 1.2: wage increases in currently operating agreements, by industry



Source: ADAM Database, 2003, ACIRRT, University of Sydney, (n=1139).

Note: * Current agreements include all enterprise agreements which have not reached their stated nominal expiry date as at end June, 2003.

special issue – wage movements in 2003 agreements & economic forecasts for 2004

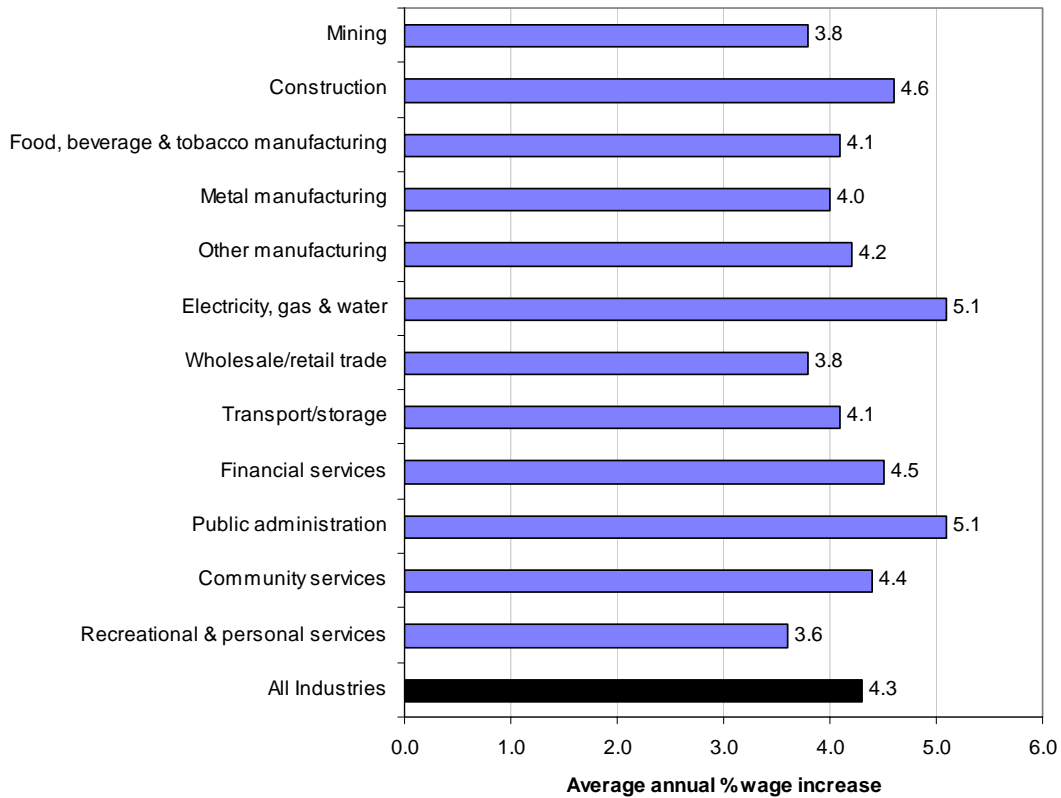
This issue of the *ADAM Report* examines developments in wage outcomes in the agreements sector for the first three quarters of 2003 using the ADAM Database, with a focus on industry differences, public private sector outcomes and the union/non-union agreement streams. It will also explore the wage trends over the past 10 years between different types of pay setting arrangements (such as awards, agreements and executive salaries). A summary of the latest forecasts of economic conditions for the 2003-04 period by Australia's key forecasters will also feature.

wage trends in 2003 agreements

2003 followed earlier trends with average annual percentage wage increases being 4.3% per agreement for the first three quarters. Figure 1.3 below outlines the industry differences in wage increases. The highest wage increases in agreements were found in the electricity gas and water industry (5.1%) and public administration sector (5.1%), while the lowest wage increases were from the recreational and personal services sector (3.6%), mining (3.8%) and wholesale/retail trade industry (3.8%).

Figure 1.4 below show that union agreements continue to deliver higher wage outcomes than their non-union counterpart. A comparison of wage outcomes for the first three quarters of 2003 found that the average annual percentage wage increase for union agreements was 4.4% compared with 3.9% for non-union agreements. A 0.5 percentage point gap also was found between public and private sector agreements, with public sector agreements delivering 4.7% per annum compared with 4.2% for the private sector.

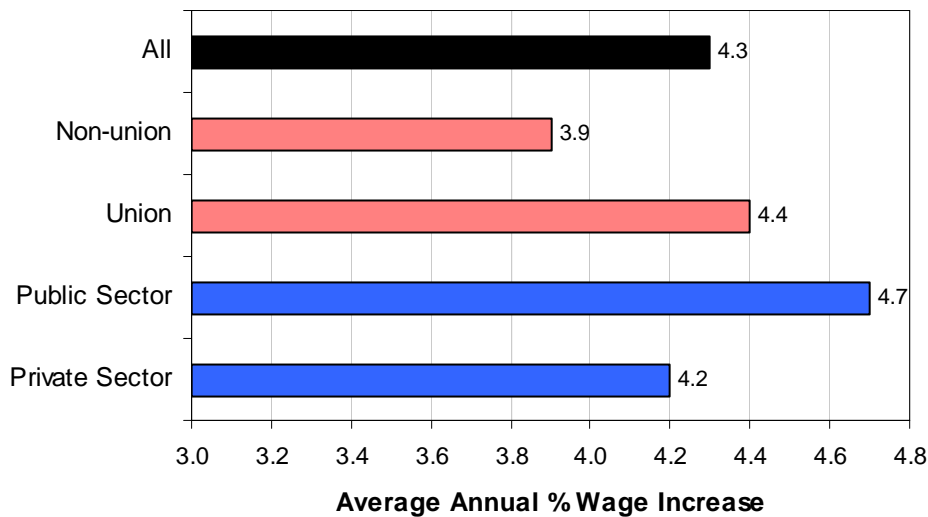
Figure 1.3: wage increases in 2003 agreements (to Sept qtr 2003), by industry



Source: ADAM Database, 2003, ACIRRT, University of Sydney, (n=402).

Note: Data includes agreements that commenced in the first three quarters of 2003.

Figure 1.4: wage increases in 2003 agreements (to Sept qtr), by union party to agreement & public/private sector



Source: ADAM Database, 2003, ACIRRT, University of Sydney, (n=402).

Note: Data includes agreements that commenced in the first three quarters of 2003.

Performance pay measures in 2003 agreements

An examination of agreements for the first three quarters of 2003 also found that performance pay measures are a feature in less than 25% of enterprise agreements. The use of key performance indicators appears to be the most commonly used performance pay measure, present in just over 20% of agreements for 2003. Performance pay measures were the next most commonly used (included in 16.3% of agreements), while only a small proportion of agreements are linking part or all of future wage increases to some type of performance outcome. Table 1.2 outlines these details.

Table 1.2: incidence of performance pay measures in 2003 agreements (to Sept qtr)

Type of performance pay measure	Proportion of agreements (%)
Use of KPIs (Key Performance Indicators)	21.0
Performance Based Pay Measures	16.3
Linking wage increases to performance	5.5

Source: ADAM Database, 2003, ACIRRT, University of Sydney, (n=563).

Note: Data includes agreements that commenced in the first three quarters of 2003.

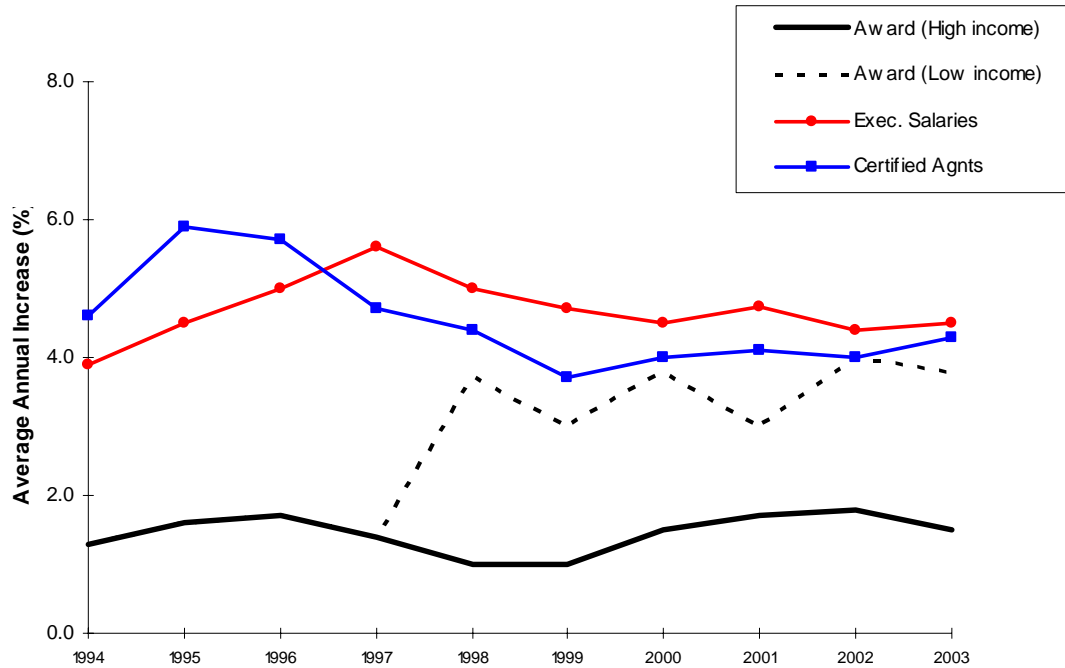
Figure 1.5 depicts the wage movements for workers covered by different forms of pay setting arrangements and shows that executive salary earners continue to receive higher wage outcomes, while award workers. Wage increases for executive salary earners have stabilised over the past few years, currently remaining at 4.5%. Workers covered by collective agreements received slightly lower wage increases than executive salary earners since 1997. Workers covered by collective agreements are faring better than their award worker, receiving wage increases of just over x% per annum.

When examining the award category, two streams are depicted – high income and low income. The two points illustrate the maximum and minimum percentage wage increases that were obtained by award covered employees through the annual safety net adjustments handed down by the Australian Industrial Relations Commission, depending on their gross weekly salary.¹ The figure suggests that ‘low income’ award have received wage increases almost in line with workers on collective agreements over the past few years.

Overall, wage outcomes for workers across the three regulatory streams show steady movement, particularly over the past five years.

¹ The two streams are derived by calculating the percentage equivalent wage increase given to high and low income workers when the Industrial Relations Commission hands down a flat dollar (\$) increase as part of the Safety Net Adjustments. For example, the 2000 Safety Net Adjustment of \$15 per week equates to a 1.5% wage increase for those earning as high as \$1,000 per week and 3.75% for those on the legislative minimum wage of \$400 per week.

Fig 1.5: Wage Movements in Awards, Collective Agreements, & Executive Salaries, 1994-2003



Sources:

- 1) Ross I. (1997) 'Reasons for Decision of Vice-President Ross', Safety Net Review-Wages, April, Australian Industrial Relations Commission, Melbourne
- 2) acirrt, (2003) ADAM Database, University of Sydney, unpublished data (first three quarters used only)
- 3) Reserve Bank of Australia, (2003) 'Statement on Monetary Policy', August, various issues

economic forecasts for 2004 and beyond and impact on wages growth

On the basis of forecasts wages can be expected to rise at an average of 3.75% per annum over the next 3 years (2003-04 to 2005-06). Forecasts of Australia's key economic indicators by the Reserve Bank of Australia (RBA)², the Federal Government³, and the HSBC Group⁴ indicates no real threat of a wages blowout in the short to medium term with moderate growth in wages expected.

GDP & ECONOMIC GROWTH

Australia's economy in 2003 was predicted by the Federal Government to grow a little more slowly, largely due to the drought and a downturn in the housing cycle. GDP growth was projected at 3¾ as was non-farm GDP for 2002-03. In their revised forecasts, total GDP growth for 2002-03 was revised down to 3 percent reflecting the drought, mainly due to the result of lower exports and a higher current account deficit (due to the drought). Housing construction forecast was considerably revised up.

2003-04 was seen in a more positive light, reflecting signs of potential growth, An expected slow improvement in global economic conditions and an expected rebound from the drought witnessed the first official forecast of growth in 2003-04, with GDP growth seen at 4%. Confirming these predictions, 2004 was seen by the RBA as a year where growth returns to 'around trend'. With conditions in the farm sector improving, the RBA sees that the growth in total GDP should pick up earlier than the non-farm GDP component. Similarly, HSBC predict that GDP growth is expected to move towards 4% in 2004. They add that the components of growth are anticipated to change, with rural production increasing and global growth improving, yet domestic growth is believed to be weaker.

² RBA (2003) 'Statement on Monetary Policy', August.

³ Commonwealth Government (2002), 'Budget: 2002-03' and 'Mid-Year Economic and Financial Outlook' November 2002.

⁴ HSBC Group (2003), Australia and New Zealand Economics: Prosperity's Perils, 3rd Quarter, 2003.

INFLATION (CPI)

The headline inflation rate was 2.7 percent for 12 months to the June quarter of 2003, falling in between the RBA's 2-3 percent target range. The Federal Government also expected moderate inflation levels 2002-03, mainly underpinned by steady wage increases and solid productivity growth. Solid pace of growth was noted for the economy in 2002-03 with no significant pressures from wages and prices anticipated. The rising value of the Australian dollar, slower domestic demand growth and 'benign' wages growth were the key reasons for the HSBC's prediction of lower inflation in the latter half of 2003.

This was not expected to change for 2003-04, with inflation being forecast by the RBA at around 2½ percent. The balance of risks around the RBA's 2½ percent medium-term central forecast, however, seems to be shifting to the upside as businesses are beginning to report greater-than-average difficulty in obtaining suitable labour.

However the Federal Government was cognisant of upward pressures potentially occurring if global conditions were to improve substantially or if domestic demand was to grow more strongly than current expectations. This view was also expressed by the RBA, however greater focus was placed on the downward impact on inflation if the possibility of global economic recovery fell short of expectations.

Current rates of wages growth was the key factor determining the RBA's and the Federal Government's outlook on inflation, suggesting a temporary period of below-trend growth below their target midpoint (of 2 - 3%). Such low inflationary expectations by the RBA was confirmed by indicators provided by key stakeholders. Subdued predictions for inflation in the period ahead was also the key expectation in the latest business surveys (Melbourne Institute and NAB) and acirrt's survey of key trade union officials (RBA, 2003). The RBA's future predictions were a little more subdued than the Federal Government's. The outlook for inflation over the next year remains quite benign, dropping temporarily below 2 percent in early 2004, mainly due to the appreciation of the Australian dollar and standard assumption that oil prices will fall by mid 2004.

LABOUR MARKET

According to the RBA, employment growth and the unemployment rate have remained steady over the past year. On balance, the RBA finds that the current labour market indicators are consistent with relatively good employment outcomes, however they expect that employment growth in the near term to be lower than the pace recorded over the past 12 months. Similarly, steady labour market trends for 2003 have led the Federal Government’s forecasts to change very little for 2003-04. Employment growth was forecast to remain at 1¾ percent and a forecasted downward trend to just below 6 percent in the unemployment rate also expected by the June quarter 2004. The trends both show consistency with the outlook for solid non-farm GDP growth and moderate wages growth.

Summary of short and medium term predictions of economic indicators

The following is a summary of the short and medium term predictions by the three key forecasters. The predictions suggest a solid, consistent trend across all indicators. In fact, with the exception of real GDP, it appears that all three forecasters have predicted a minor slow down in trends over the next two to three years. Table 1.3 shows that all predictions confirm no threat of a wages breakout in the near future.

Table 1.3: Major Economic Parameters: Forecasts & Medium Term Predictions, Federal Govt, HSBC, and RBA

	Forecasts		Projections	
	2002-03	2003-04	2004-05	2005-06
Real GDP				
<i>Fed Govt</i>	3.0	4.0	3.5	3.5
<i>HSBC</i>	2.9	3.2	>4.0	n/a
<i>RBA</i>	3.0	3.0 -‘around trend’	‘around trend’	n/a
Employment				
<i>Fed Govt</i>	1.75	1.75	1.5	1.5
<i>HSBC</i>	2.5	1.3	n/a	n/a
<i>RBA</i>	2.5	n/a	n/a	n/a
Unemployment				
<i>Fed Govt</i>	6.1	6.1	<6.0	n/a
<i>HSBC</i>	6.1	6.2 - 6.5	n/a	n/a
<i>RBA</i>	6.1	RBA target midpoint	RBA target midpoint	n/a
Wages				
<i>Fed Govt</i>	4.25	4.0	3.75	3.75
<i>HSBC</i>	3.5	3.4	n/a	n/a
<i>RBA</i>	3.6	steady	steady	steady
CPI				
<i>Fed Govt</i>	2.75	2.5	2.5	2.5
<i>HSBC</i>	3.1	2.3	n/a	n/a
<i>RBA</i>	2.75	<2.5 (<2.0 by 2004)	<2.0	approx. 2.5

innovative clauses

casual employment

The use of casual labour remains a prominent feature of the labour market, often promoting a higher level of workplace flexibility. Casual employment, however, tends to create lower levels of job security and restricts access to various employee entitlements such as sick leave and redundancy payments.

This quarter has seen the emergence of several provisions that attempt to provide long-term casuals with the same entitlements of full-time and part-time employees. The first provision comes from an agreement that covers employees in the winemaking industry. It states that casuals will accumulate rostered days off (RDOs) in the same way as weekly hire employees. Accumulated RDOs will be paid at the standard casual rate (time plus 20% loading). The inclusion of such a provision is indicative of the unique workforce requirements found in the winemaking industry due to the seasonal nature of the work undertaken. However, the accumulation of paid days off suggests that the employer has recognised the contribution that casuals make to the business.

The second provision from the building materials manufacturing sector provides long-term casuals with a maximum of four days' paid bereavement leave. This entitlement is the same as that received by full-time and part-time employees. The inclusion of such a provision gives some indication of the increase in casualisation currently occurring in such sectors, as well as ensuring casual employees are not financially disadvantaged during difficult times simply because of their employment status.

The *ADAM Database* has noted a growing trend towards redundancy payments for casuals. An agreement from the wine distribution sector indicates that certain casuals are entitled to severance payments equal to those offered to permanent staff. Regular casual employees with over three years' service are entitled to two weeks' pay for every completed year of service up to a maximum of 28 weeks. The last clause from the Gaming Industry agreement provides casual employees with of 12 months' service up to four weeks redundancy pay per year of service, to a maximum of 52 weeks pay.

*WINE MAKING INDUSTRY***“Rostered Days Off (Casual Employee)**

12.4.1.1 Casual Employees can accumulate rostered days off in the same way as Weekly Hire Employees;

12.4.1.2 To accrue rostered days off, Casual Employees must complete the designated form;

12.4.1.3 A maximum of 12 days can be accrued during a twelve month period;

12.4.1.4 Accrued rostered days off must be taken where the Company is unable to provide work.

12.4.1.5 Accrued rostered days off will be paid at the casual rate of pay (time plus 20% loading);

12.4.1.6. Seasonal Casual Employees away from work due to illness, who provide a medical certificate or statutory declaration, will be able to use up to three accrued rostered days off per annum (i.e. up to 22.8 hours) for illness and be paid for it;

12.4.1.7 Regular Casual Employees away from work due to illness or special circumstances, who provide a medical certificate or statutory declaration, will be able to use up to five accrued rostered days off per annum (i.e. up to 38 hours) for illness and be paid for it; and

12.4.1.8 On cessation of Employment, accrued rostered days off will be paid out to Casual Employees at one and a half times a Weekly Hire Employee hourly rate.”

BUILDING MATERIALS INDUSTRY

“Long Term Casual Employees

- (a) A long term casual employee is entitled to at least 2 days unpaid bereavement leave on the death of a member of the person’s immediate family or household. A long term casual employee is entitled to extend the bereavement leave to a maximum of 4 days paid leave, as outlined in full time and part time clause above.
- (b) A long term casual employee is a casual employee engaged by a particular employer, on a regular and systematic basis, for several periods of employment during a period of at least 1 year immediately before the employee seeks to access an entitlement as outlined in full time and part time clause above.”

*LIQUOR DISTRIBUTION INDUSTRY***“CLAUSE 13 SEVERANCE PAY**

In addition to the periods of notice prescribed by the Award for termination an employee whose employment is terminated by reason of redundancy shall be entitled to two weeks pay for every completed year of continuous service up to a maximum of 28 weeks. Casual employees are excluded except for regular casual employees with three years or more continuous service.”

GAMING INDUSTRY

“If after consultation, it is found there will be significant reduction in hours of work available to employees, packages will be offered.

Packages will be offered to both permanent (whether full time or part time) and casual staff (as defined below) in Telebet, Branched and Oncourse

For the purposes of the clause “casual” employee means and employee who has at least 12 months continuous service or who has regularly and systematically been rostered for 12 months with the [Company] at the date packages are offered.

The package comprises four weeks notice plus:

Period of service	Payment
< 1 year	2 weeks
1-3 years	6 weeks
4-5 years	10 weeks
6-7 years	14 weeks
8-10 years	20 weeks
Period of service	

Then an additional 4 weeks notice for employees with over 10 years service and payment of

Period of service	Payment
11-12 years	24 weeks
13-14 years	28 weeks
15-16 years	36 weeks
17-18 years	44weeks
19-20 years	46 weeks
20 > years	48 weeks

Payouts will be made to an upper limit of 52 weeks pay. Staff may elect to not work out the notice period. The average salary for both permanent and casual staff shall be calculated on average earnings over the previous 12 month period excluding overtime. The average will not include approved unpaid leave periods.

innovative annual leave provisions

Several agreements this quarter have offered innovative leave provisions. There is a significant focus on providing relatively generous leave entitlements. This type of innovation represents a move away from the traditional types of leave provisions. The following leave entitlements have been designed to suit the employees' personal and professional needs.

The first agreement provides employees with additional graduated leave to cover the Christmas closedown period. This entitlement recognises and rewards individual employee's length of service.

Annual leave continues to be used by enterprises in a variety of innovative ways. The second agreement from the hospitality industry allows employees to convert their annual leave loading into additional leave entitlements. This option for additional leave entitlements highlights the ways in which enterprise agreements can be tailored to suit the employees' needs and circumstances.

The third agreement from the tourism industry has been designed to overcome the constraints associated with the seasonal nature and long hours of this industry. In doing so this agreement grants employees a pooled leave entitlement of seven weeks, which, comprises four weeks' annual leave, two weeks' leave in lieu of public holidays and one week of leave in lieu of annual leave loading. This provision highlights the flexibilities that can be achieved through enterprise agreements.

NON PROFIT ORGANISATION

“5.8 Christmas Leave

5.8.1 Upon completion of more than one year service, an employee, other than a short term casual will be entitled to the following amounts of Christmas Leave each year, as specified below:

- (i) between one and two years of service – one day each year
- (ii) between two and three years service – two days each year
- (iii) more than three years service – three days each year

5.8.2 Christmas leave does not accrue and therefore must be used during the closure period between Christmas and New Years Day.

5.8.3 Christmas Leave is not paid out upon termination.

5.8.4 Leave loading does not apply to Christmas Year”

HOSPITALITY INDUSTRY

“12. Annual Leave

12.1 Full-time employees are entitled to 152 hours annual leave for each 12 months of continuous service with the company, to be paid at their ordinary hourly rate of pay together with a loading of:

17.5% in their first 12 months of service;

25% in each subsequent 12 months service.

After 12 months of continuous service, full-time employees may elect to:

Forgo their 25% loading in exchange for an additional 38 hours annual leave per annum to be paid at their ordinary hourly rate of pay. Employees may make their election only as at 1 March each year, at which time employees' annual leave accruals will be converted in accordance with their election.

Take up to an additional 38 hours unpaid leave per annum (which is not cumulative), provided that the employee has exhausted any accrued paid annual leave entitlement.”

TOURISM INDUSTRY

“Annual Leave

Every employee other than a casual employee shall after 12 months continuous service (less the period of annual leave) be entitled to and allowed a period of full pay of 7 weeks (pro-rata annual leave is worked for part-time employees). Annual leave may be taken in the off-season (during the months of November-March) or at any time agreed between the employer and the employee. Wherever possible annual leave entitlements shall be calculated over the 12 month period beginning March 1st and ending the last day of February.

Any employee whose services are dispensed with or who leaves the service of an employer shall be entitled to be paid pro-rata entitlements.

Note 7 weeks annual leave is arrived at by combining:

4 weeks annual leave

2 weeks leave in lieu of public holidays

1 weeks leave in lieu of 17.5% holiday loading”

innovative sick leave provisions

Several agreements this quarter have recognised the importance of substantial sick leave entitlements. These provisions have been established to offer employees financial stability during periods of long-term illness or injury. The first agreement from the mining industry, provides a maximum period of twelve months' sick leave for employees in such circumstances. These circumstances are also recognised and accommodated for in the second agreement from the packaging industry. This agreement offers non-salaried employees with a minimum of three years' service with additional paid sick leave. The third agreement from the mining sector gives employees the option of crediting 15 days of their sick leave entitlements to their superannuation fund.

MINING INDUSTRY

“APPENDIX 3 - SICK LEAVE

Employees are entitled to paid Sick Leave when they are ill or injured, provided that they provide proof, satisfactory to the Company, of the bona fide nature of the injury or illness.

In the circumstances of serious illness or injury to an employee (other than in respect of injuries for which the employee is in receipt of Workers Compensation), the Company may agree to an employee taking paid Sick Leave up to a maximum period of 12 months.

Employees will, whilst on Sick Leave as contemplated in this Appendix, receive pay equivalent to their salary.

Employees are required to notify their Direct Supervisor as soon as possible if illness or injury will prevent their attendance at work.

The Company may, in respect of any employees absence from work due to illness or injury, require the employee to produce a medical certificate specifying the nature of the illness or injury, and the length of absence from work.

Employees who have been on Sick Leave must complete an application for leave form on their return from Sick Leave. Employees who anticipate taking Sick Leave must complete such form prior to going on Sick Leave.

The Company may, at its discretion, require an employee who has been on Sick Leave to provide the Company with a medical clearance indicating that the employee is fit to return to work and is able to perform the same duties as were performed by the employee prior to going on Sick Leave.

The Company shall endeavor to find alternative employment suitable to an employees skills and experience should an employee, after returning to work after a period of Sick Leave, not be able to perform the same duties as were performed by the employee prior to going on Sick Leave.”

PACKAGING INDUSRTY

“(6.5.6) Extended Sick leave

To alleviate bona-fide hardship circumstances, extended sick leave will be offered to employees who suffer from long term illness or injury outside work, in order to provide employees financial stability and alleviate any hardship which may be caused as a result of such illness or injury.”

MINING INDUSRTY

“16.9 Salary Sacrificing of Sick Leave

Employees with 30 or more sick days to their credit may choose to salary sacrifice up to the value of 15 days of their future entitlements into a prescribed superannuation fund.

Notification to the pay office must occur one month in advance of the employee's anniversary date if the employee wishes to participate in these arrangements.”

other innovations

The following agreements provide for innovations in relation to affirmative action, family friendly policies and flexible hours.

Enterprise agreements rarely detail affirmative action plans for women in the workplace. However, the first agreement from the male dominated vehicle industry, provides a number of provisions aimed at increasing women's participation in workplace committees and discussions.

Agreements in this quarter are increasingly providing employees with flexibility in working arrangements. In an effort to balance work/family obligations Flex-time provisions are becoming more prevalent in public sector agreements.

The final agreement is from the engineering sector, provides the process by which the company will move from a 38 hour to a 36 hour working week. This reduction in hours has been achieved through the provision of additional rostered days off, rather than the traditional decrease in actual working hours per week.

VEHICLE INDUSTRY

“9.0 WORK, FAMILY & DIVERSITY

9.1 Women's participation

9.1.1 Union Sponsored Activities

The Company and Union agree to support women's involvement through the release on full pay, of women employees to attend the following union sponsored activities:

Industry Women's Committee;
Annual Women's Conferences;
Anna Stewart Memorial Project.

The parties agree to maintain the current level of women's involvement in these activities, but recognises business requirements also need to be met.

9.1.2 Shop Floor Women's Committees

The parties agree to maintain the existing Shop Floor Women's Committees at each Manufacturing site, Membership will ensure representation from major areas of the site and major employment groups. The parties also recognise that an effective working group there will need to be between 5 and 8 members per Women's Committee with no more than one member from each operational area unless otherwise agreed by Management.

The Women's Committee will form a sub Committee of the JSIC and will report to the Council on objectives and outcomes. Their membership will be reviewed and endorsed by the JSIC. The Women's Committee provides a consultative role to the JSIC on strategic matters relating to shop floor women.

The Company will support the Women's Committee by agreeing to meetings every second month within working hours. These meetings will be scheduled at least one month in advance. The parties recognise, however, that business priorities must also be met in accommodating the above requirements.

9.1.3 Deputy Female Shop Steward Positions

This program is set up to allow women to gain the skills, knowledge and confidence to advance the views and interests of women on the shop floor.

The Company has agreed to continuation of the female Deputy Shop Stewards Program. The Company agrees to two female Deputy Shop Stewards in Broadmeadows on day shift, three Deputy Shop Stewards in Geelong and one female deputy shop steward in FCSD.

The female Deputy Steward positions will continue to be provided with the equivalent union education and meetings, as called by the Union organiser, providing appropriate union notice and approval by the Company. When there is less than twenty four hours notice the release of the female Deputy Shop Steward will depend on production requirements. However, following a three-month induction period, the Deputy Steward will share steward duties with the mentoring steward on a day to day basis providing no net increase in time taken for steward duties will occur.

A review of the program will be presented to the JSIC by the Union within 6 months of the certification of this Agreement. The review will focus on analysing the effectiveness of the program. Following this review, the JSIC will implement any necessary modifications to the program to ensure its ongoing effectiveness.”

PUBLIC SECTOR

“Flextime

221. Flextime is a system of flexible working hours arrangements which enables full-time and part-time employees and managers to vary working hours, patterns and arrangements to provide maximum organizational flexibility with benefits to clients, employees and the Company.

222. Managers and employees have the responsibility to ensure that employees are productively employed and manage the hours of work so that employees are not continuing to build excessive flex credits without the opportunity to access flex leave.

223. It is important that managers and employees recognize and accept their mutual responsibility to integrate the management of working hours and leave planning, including flextime and flex leave, into their overall approach to work planning.”

*ENGINEERING INDUSTRY***“27.0 HOURS OF WORK AND LEISURE TIME**

It is recognised by the parties that job creation and quality of life is vital to employees in the industry therefore it is agreed to progressively introduce a 36 hour working week in the way set out below where these hours are not already in place at the workplace.

Employees will be entitled to additional days off without loss of pay as follows:

27.1 This clause shall be read in conjunction with Part 6 of the Award.

27.2 There shall be flexibility in taking additional rostered days off against the principle of balancing the needs of the employee and the Company.

This flexibility will be arranged at the Company level by agreement between the Company and the majority of employees who are covered by this agreement.

In addition to existing rostered days off, employees will be entitled to four additional days off accruing at one extra day per three months from 30 March 2004 through to 30 March 2005.

In addition to the above, employees will be entitled to a further four additional days off accruing at one extra day per three months from 30 March 2005 through to 30 July

2006. This will mean that employees will be entitled to take 8 additional rostered days off prior to the 31 March 2006.

Employees shall be entitled to take 26 RDOs per annum from 31 March 2006 and thereafter.

In summary, this means that employees will be entitled to the following RDO's:

Year 1 of the agreement:	13 RDO's.
Year 2 of the agreement:	17 RDO's
Year 3 of the agreement:	21 RDO's
Year 3 and final day of the agreement:	26 RDO's.

The divisor will reduce from 38 hours per week to 36 hours per applicable from 30 March 2006.

"divisor" means how the hourly rate of pay is calculated for all purposes including the award.

The hourly rate of pay for all purposes shall be calculated on the basis of the weekly rate of pay set out in this agreement divided by 36."

technical notes

method for calculating average annual percentage wage increases (AAWI) per agreement

The total wage increase granted over the life of the agreement is divided by the number of months for which the enterprise agreement operates. This figure is then multiplied by twelve to generate an estimate of what the increase would be over a twelve month (annual) period. Estimates of average wage increases are calculated for those agreements that provide for a quantifiable wage increase. 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. Flat dollar increases are converted to a percentage by either: a) using the weekly rate of pay that applied prior to the new rates under the new agreement to calculate the equivalent percentage amount, or b) contacting the employer party to the agreement (AWAs excepted). Other non-quantifiable wage increases within an agreement, such as those that rely on award increases, inflationary (CPI) movements, or individual staff appraisals to determine quantum wage increases, are not included in these calculations. Where different quantum wage increases are given for different groups of workers within the same agreement, an average quantum wage increase is calculated and used. acirrt also uses a simple rather than compound percentage wage increase.

The wage increases are those that affect ordinary weekly earnings (base rates of pay). AAWI figures do not include payments in addition to base rates (such as overtime, bonus payments, one-off annualisation of salaries, performance pay, profit-sharing, allowances etc). Wage agreements whose average percentage increase could not be quantified (eg, those introducing a new salary structure) are also excluded from these estimates.

Due to delays in the registration process, some agreements will only run officially for a couple of months. Where it is apparent that the official duration of the agreement is unduly short (ie. less than 9 months), such agreements are excluded from the calculations so as not to artificially raise the estimate of average annual increases contained in all agreements.

Sample

As at September 2003, the ADAM Database has information on 11,013 registered enterprise (collective) agreements from the Federal and State jurisdictions as follows:

Federal (5306), NSW (1896), SA (760), Queensland (1978), WA (1073).

The ADAM Database also holds information on federal Australian Workplace Agreements covering 1,282 employers (of the current total of 3,964 employers with approved AWAs).

report written by

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about the ADAM Database

Since 1993, ACIRRT has maintained the Agreements Database and Monitor (ADAM), Australia's most comprehensive and authoritative database of enterprise agreements. With detailed up-to-date information on over 10,800 federal and state enterprise agreements and over 1,200 federal AWAs, ADAM is an invaluable resource that is frequently used by IR/HR practitioners, economic analysts, researchers, policy makers, and academics. Information from the ADAM Database is available in two ways:

1. the quarterly acirrt *ADAM Report* (via purchase of single issues)
2. customised 'ADAM Special Reports' which are fee for service reports tailored to your information needs

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