

acirrt

university of sydney

ADAM
report

44

April 2005

Contents

Section 1 wage trends

wage increases in December quarter 2004 agreements	3
high wage outcomes in December 2004 quarter agreements	5
wage outcomes in current collective agreements	8

Section 2 special issue

12 hour shifts in enterprise agreements.....	9
--	---

Section 3 innovative clauses

Performance pay schemes.....	18
Innovative Leave Schemes	22
Other Innovations	26

Section 4 technical notes

Section 4 technical notes	29
---------------------------------	----

method for calculating average annual percentage wage increases (AAWI).....	29
about the ADAM Database	30
about acirrt, University of Sydney.....	30

1 wage trends

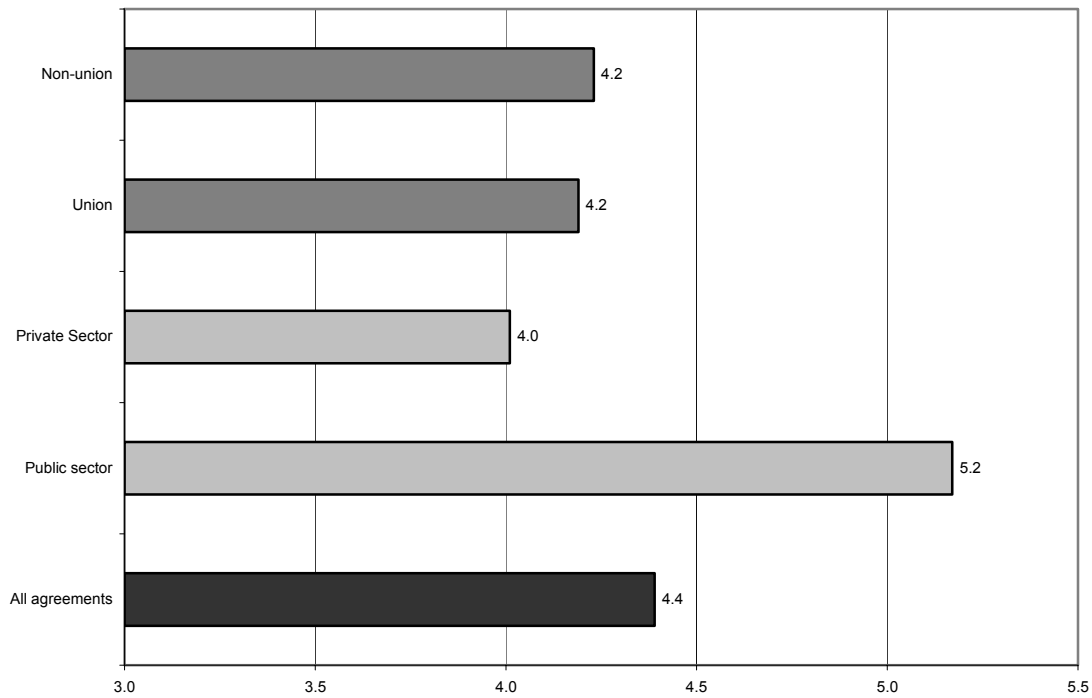
wage increases in December quarter 2004 agreements

The average annual wage increase for certified agreements registered in the December 2004 quarter was 4.4% (per agreement) up by 0.1 percentage points on the previous September quarter.

The gap between union and non-union agreements has converged during the December quarter with less than 0.05 percentage points difference in outcomes. The average annual wage increase in union agreements during the December quarter was 4.19% while for non-union agreements the average was 4.23%.

Figure 1.1 shows that public sector agreements have seen a 0.8 percentage point increase in average annual wage increase during the December quarter from 4.4% in the September quarter to 5.2%. This outcome was heavily influenced by a number of high wage outcome agreements in the public sector which are discussed in detail below. Meanwhile private sector agreements have remained steady at 4.0% average annual wage increase.

figure 1.1: December 2004 quarter average annual percentage wage increase



Source: ADAM Database, December quarter 2004, acirt, University of Sydney

Note: Government Business Enterprises and Non-profit agreements have been incorporated into public sector due to small sample size

high wage outcomes in December 2004 quarter agreements

There were a number of agreements in the December quarter which incorporated wage increases (AAWI) in excess of 5%. The factors influencing these higher wage outcomes in enterprise bargaining were many and varied, but generally the more marked increases were achieved as a result of absorption of a range of allowances, increased flexibility in working hours and other performance trade-offs in agreements to provide efficiencies and flexibility.

An agreement in the health and welfare sector stands out from the rest with an overall increase of 22% over a two year period. This increase includes a one-off increase of more than 16% as an absorption of allowances, with a further 6% increase over the life of the agreement.

Another two year agreement in the beverage manufacturing industry provides a 14% increase with 1.5% contingent on the performance of the company as a whole. The 1.5% at-risk payments are also linked to the introduction of a new scheme for cashing out of rostered days off and an employer-funded income protection insurance policy.

Table 1.1: Key features of higher than average wage increases in December 2004 quarter enterprise agreements

Industry (AAWI)	Key Provisions
Health and Welfare (AAWI 9.1%)	<ul style="list-style-type: none"> • This 29 month agreement covering health professionals absorbs a “private practice” allowance of 16% and a professional development allowance of \$8.65 per annum. • The initial 18% increase also incorporates a 2% increase. • Subsequent increases of 2% per annum are provided throughout the life of the agreement
Public Sector (AAWI 8.14%)	<ul style="list-style-type: none"> • This 20 month agreement allows for a 15.6% increase on the award rates of pay, incorporating state wage case increases and all allowances and loadings. • The agreement provides for an increased span of hours from 6am to 8pm with a minimum work week of 42.5 hours. • Employees are expected to work 45 hours per week with extra hours banked for use during inclement weather. • The agreement also provides for performance review and bonus payments beyond the negotiated rates, as well as an absenteeism scheme that pays employees an attendance bonus.
Education (AAWI 7.7%)	<ul style="list-style-type: none"> • Over 24 months this agreement covering teachers provides a 14.5% increase. • The agreement introduces a new nine step salary scale to replace the traditional 13 step scale and as a trade-off, an average initial increase of 4.5% is provided. • The remaining 10% is provided over 3 payments in 2005-2006
Transport (AAWI 7.2%)	<ul style="list-style-type: none"> • This 25 month agreement provides for an overall increase of 15% . • Rates of pay absorb all allowances relating to deliveries on building and construction sites. • The agreement aims to improve customer responsiveness, and achieve cost-effective flexibility in staffing levels with multi-skilling and continuous improvement in skills, knowledge and professionalism.

Manufacturing
(AAWI 6.5%)

- Over 22 months this agreement provides for 12% increase in rates of pay.
- The agreement requires the multi-skilling of employees, the downsizing of the workforce through natural attrition, and the introduction of continuous production with changes to shift arrangements at the employer's discretion.
- The agreement also provides for a team-based bonus system with potential payouts of up to 5% of the annualized salary.
- The agreement also introduces a new skill-based classification system.

**Beverage
Manufacturing**
(AAWI 6.25 –
6.75%)

- This agreement provides for a guaranteed pay increase of 12.5% over 24 months with a further 1.5% provided in at-risk productivity payments.
- The 1.5% paid over three periods is contingent on the company reaching pre-tax profit targets.
- The achievement of profit targets will also lead to the introduction of a new system for the cashing out of rostered days off and an employer funded income protection insurance policy.

Source: ADAM Database, 2004, December 2004 Quarter, acirt, University of Sydney.

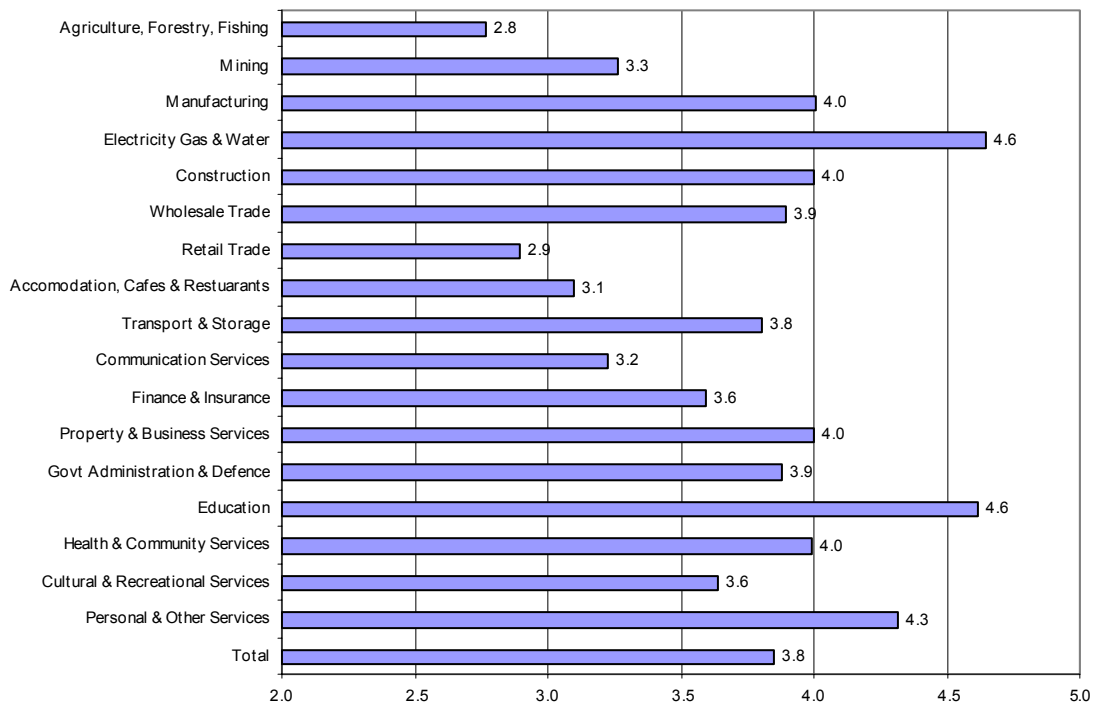
Note: High wage agreements are defined as those delivering an AAWI of 5% or above.

wage outcomes in current collective agreements

The average annual percentage wage increase for all currently operating agreements (as at the end of the December 2004 quarter) was 3.8% per agreement, down 0.2 percentage points from the previous quarter.

Once again education and electricity, gas and water continue to be the stand-out industries in terms of wage outcomes. Currently operating education agreements have averaged annual wage increases of 4.6% (4.9% in *ADAM Report No 43*) while electricity, gas and water has maintained its average from the previous report of 4.6%. Retail (2.9 %) and agriculture, forestry and fishing (2.8%) have continued on a downward trend losing 0.5 percentage points and 0.2 percentage points respectively on their performance in the previous quarter.

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



Source: ADAM Database, 2004, December 2004 Quarter, acirrt, University of Sydney.

2 special issue

12 hour shifts in enterprise agreements

The introduction of enterprise bargaining in the Australian industrial relations system was heralded as a way for businesses to improve productivity and efficiency by introducing flexible approaches to hours of work. Enterprise bargaining has been an avenue for the introduction of new working hour regimes, but have these regimes created the improvements in productivity and efficiency that were expected?

One aspect of the changing hours regime has been the increased use of 12 hour shifts in many industries.

Kathryn Heiler (1998) identified a number of reasons for the emergence of longer working hours in Australia, including:

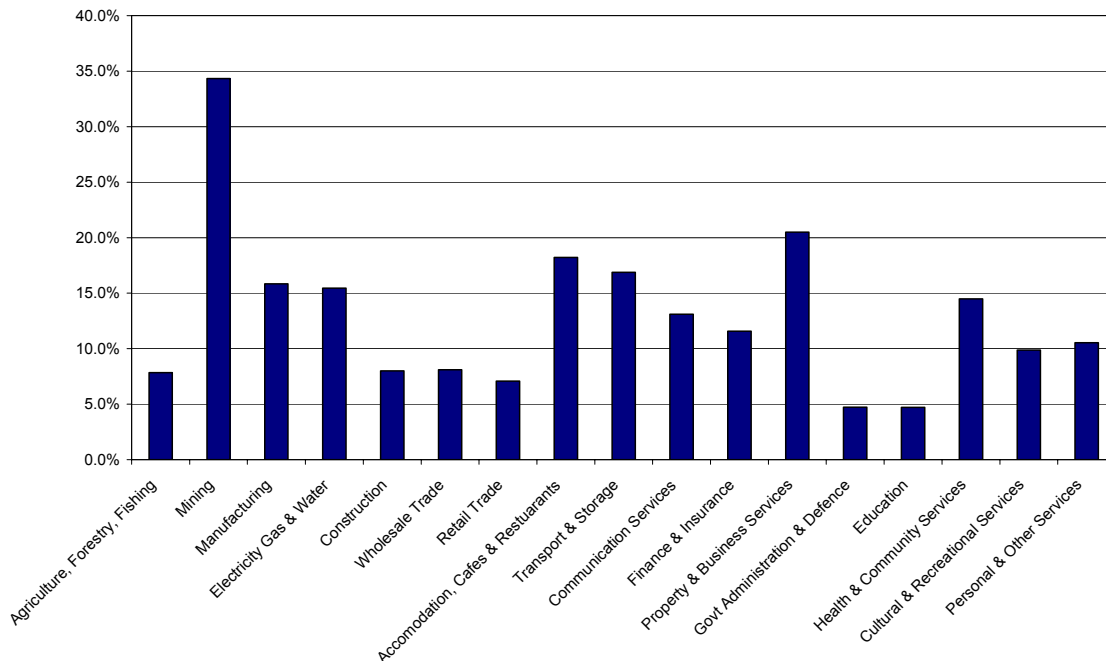
- Increasing global competition placing pressure on employers to maximise the utilisation of plant and equipment.
- Deregulation of trading and retail hours and increased operating hours which have cascading effects for ancillary services.
- Inter-industry factors - Changing hours in the services sector have a flow-on effect to other industries.
- The rhetoric of flexibility itself - the perception that flexibility is always progressive.
- The introduction of enterprise bargaining and more individualised employment relationships.
- A slow union response to the changing hours regime.

Two major reasons are frequently cited for the improved productivity of 12 hour shifts. Firstly, the reduction of time lost due to shift changeovers – that is, in manufacturing and mining industries the productive time lost to shift changes can be up to an hour, therefore by reducing the number of changeovers in a day this time lost can be minimised. Secondly improved shift efficiency, that is, as the shift progresses teams of workers begin to 'get into a rhythm' which increases their productivity.

However, there is also the possibility of loss of productivity due to fatigue and worker error and the long-term consequences of continued extended hours on worker health and social well-being.

Figure 2.1 shows that 12 hour shifts are most common in agreements in the mining industry (34.3%) and in property and business services (20.5%), they are also common in accommodation cafes and restaurants (18.2%), transport and storage (16.9%), manufacturing (15.8%) and the electricity gas and water industry (15.5%).

Figure 2.1 Incidence of 12 hour shifts by industry – all agreements 1992-2004



Source: ADAM Database, 2004, acirt, University of Sydney.

12 hour shifts are more common in Union negotiated agreements (14%) than in non-union agreements (10%). They are also more common in private enterprise than in

public sector agreements, although as Table 2.1 below shows, they are relatively prevalent in government business enterprises which includes a number of large government owned utilities.

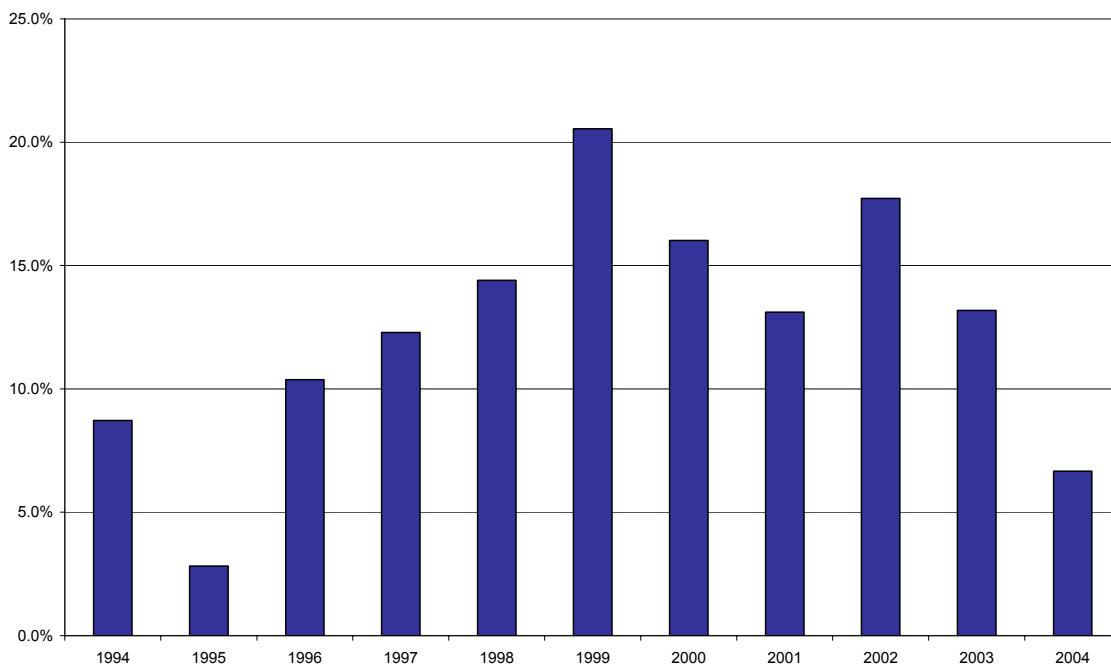
Table 2.1 Incidence of 12 hour shifts by sector – all agreements 1992-2004

		any ref to 12 hour shifts		Total
		yes	no	
<i>Sector:</i>	Public Agency	10.0%	90.0%	100.0%
	Private Enterprise	13.7%	86.3%	100.0%
	Non profit organisation	7.6%	92.4%	100.0%
	Govt/Business Enterprise	14.5%	85.5%	100.0%
Total		12.8%	87.2%	100.0%

Source: ADAM Database, 2004, acirt, University of Sydney.

The incidence of 12 hour shifts in enterprise agreements has declined in recent years as is shown in figure 2.2 . 1999 appears to have been a peak year for the introduction of 12 hour shifts.

Figure 2.2 Incidence of 12 hour shifts in enterprise agreements 1994-2004



Source: ADAM Database, 2004, acirt, University of Sydney.

There is no consistent pattern to the trends over time between different industries where 12 hour shifts are prevalent. While mining, accommodation cafes and restaurants and transport and storage have seen large increases in the incidence of 12 hour shifts in 1998, followed by declines in more recent times, manufacturing, and health have seen more steady increases while property and business services has seen some volatility in incidence of 12 hour shifts.

Are 12 hour shifts more productive?

In recent years a number of studies have examined the productivity implications of 12 hour shift. Perhaps most notable was the study by Alan Thomas at the Vickery coal mine in Gunnedah where, under the direction of the AIRC, trials were undertaken to assess the relative merits of 12 hour shifts and 8.5 hour shifts. After an extensive study that took more than 9 months to complete, Thomas found that there “was a slight difference in results between the two trials, but this difference was well within the overall margin of error” (Thomas, 1998, 25). That is, there was no conclusive evidence to support any significant increase in productivity gained from introducing 12 hour shifts.

Worker performance has been shown to decline over extended periods of work. Tasks that require maintenance of constant attention, prolonged inactivity or are of a repetitive or monotonous nature have been found to be prone to increased error with time (Benson 1998). If such tasks are undertaken at night or at times when alertness or arousal is known to be low this may also impact on employees’ performance. Fatigue can also result in 12 hour shift workers ‘nodding off’, experiencing lapses in concentration, frustration and tiredness (Benson 1998).

These findings have major implications for all workplaces, but particularly for those who work in the transport industry and in industries where heavy machinery is involved. Poorer performance due to fatigue and the organisational costs associated with accidents may undermine the productivity gains of 12 hour shifts.

The impact of 12 hour shifts

The introduction of 12 hour shifts in many industries also has major implications for the health and work life balance of workers. There has been considerable research undertaken on shift workers in many different industries and occupations in various countries over the last forty years. These studies show that shift workers as a population have a higher risk of health problems. Risks can appear after a short

exposure to extended hours and shiftwork or can manifest themselves over a longer period of time. Increased risk appears to be the result of the combination of the biological and lifestyle factors. According to Heiler (2000) and Bent (1998) health problems for 12 hour shiftworkers can include:

- gastro-intestinal disorder such as peptic ulcer, colitis, indigestion, heartburn, flatulence, food cravings and constipation.
- cardiovascular disease (such as hypertension and ischaemic heart disease) cardiovascular disease is linked with factors such as smoking, lack of exercise and poor eating habits which tend to be more strongly associated with shiftworking.
- Chronic fatigue: continued poor sleep quantity and quality combined with poor coping strategies and diet can interfere with workers' immune systems leading to greater susceptibility to colds and influenza among shift workers which has been associated with chronic fatigue problems.
- Pregnancy and reproductive health: female shift workers may have increased risk of menstrual disorders and the risk of miscarriage, pre-term delivery and lower foetal growth rates have also been associated with shiftwork.
- Psycho-social health: as a result of other health factors and of increased fatigue, shift workers appear to have an increased risk of experiencing anxiety, depression, stress and inappropriate drug use. Shiftworkers' irritability can add pressures to family and social life.
- Ageing: evidence suggests workers' ability to cope with shiftwork deteriorates as they age as they do not sleep as long or as deeply
- Performance impairment: as a result of the combination of work and non-work related fatigue, shift workers can experience performance impairment which can lead to a higher risk of work-related incidents and accidents compared to the non-shift working population.

Employers' responsibilities

Employers have a duty of care to their workers. Changes to working hours need to take into consideration the occupational health and safety laws in each state or territory. Employers also need to be aware of potential liability and responsibilities to identify and eliminate hazards associated with unsafe working hour regimes. In introducing 12 hour shifts employers should consider that each workplace is unique and shifts cannot be introduced across the board.

Approaches to 12 Hour Shifts in agreements

This first agreement, from the building and construction industry, seeks to clarify the responsibilities of the company with regards to the implementation of 12-hour shifts and to ensure that existing employees are capable of meeting the rigorous demands of a change in the rostering system. The clause ensures that the company takes financial responsibility for the costs associated with negative impacts on employees' health, including the cost of medical tests and appropriate redeployment strategies. Importantly, this clause does not specify that compensation and relocation is limited to physical health effects. This provides scope for appropriate procedures to be undertaken in the event of an employee suffering detriment to their mental health, as a result of the implementation of a 12-hour shift system.

EXTRACT 1 (BUILDING AND CONSTRUCTION)

“23. Medical Check

Prior to commencing work on the roster, each participating fitter or electrician will, if they choose, have a medical check by his/her own doctor as to their suitability to work the new roster. The details of the medical check will remain confidential to the participant and only with the written consent of the participant will the details be made available to the company.

On receipt of a certificate of fitness or unfitness to work the proposed roster, the company will reimburse the cost of the medical check to the participant.

Where an employee is unable to continue on the 12-hour continuous shift roster due to illness resulting from working the 12-hour shift for the foreseeable future the company will endeavour to assist the employee and give preference in a transfer to another position. This will be subject to skills, suitability and training and the availability of positions at the time.”

Two agreements provide concrete examples of monitoring procedures for 12 hour shifts. Monitoring committees have proven an effective strategy for employers to ensure that their occupational health and safety obligations are met in situations requiring the implementation of 12 hour work arrangements. The following agreements are from diverse industries, and they indicate a widespread appreciation of the benefits of consultative monitoring strategies.

The first agreement, which is from the finance sector, covers shiftworkers in the organisation's service department. It seeks to implement a monitoring committee comprising both union and employer representatives, to consider and administer strategies to counteract the well-documented occupational health and safety hazards involved in working 12 hour shifts, including strategic use of RDOs. The committee's responsibilities are clearly laid out, as are the key indicators to be used

in assessing the impact of the working pattern. These indicators include substantial indicators of employee wellbeing, including company-funded medical examinations and, importantly, a component considering employee feedback via a questionnaire. The committee's role is concrete and well-thought-out.

The second agreement encompasses shiftworkers in the metals manufacturing industry. It allows 12 hour shift arrangements to be put into operation following employee consultation, and lays out basic employer responsibilities. Importantly, the agreement makes reference to the ACTU code of conduct, a set of standards for consultation and implementation of shift work that takes into account factors such as fatigue, increased susceptibility to drug and alcohol abuse, chemical hazards, and specific detrimental effects on younger, older and female workers. The ACTU guidelines discuss occupational health and safety requirements, and provide a set of strategies framing the implementation of training, monitoring and consultation mechanisms for shiftwork.

EXTRACT 2 (FINANCE SECTOR)

9. STEERING COMMITTEE

A Joint Steering Committee comprised of an equal number of management and FSU representative will be established to:

- * Monitor and evaluate the appropriateness of the shift structure;*
- * Consider feedback from staff regarding shift issues; and*
- * Consider any Occupational Health and Safety issues arising out of the implementation or ongoing operation of the shift structure.*

The Committee will meet at least quarterly for the first 12 months following implementation of the new structure and on an as required basis after that.

Where the Committee considers that any changes or modifications should be made to the shift structure or there are issues associated with the shift structure that should be addressed, the Committee shall make recommendations to management.

10. OCCUPATIONAL HEALTH AND SAFETY

The parties have a positive commitment to Occupational Health and Safety in the workplace and recognise that there are specific occupational health and safety requirements associated with working 12 hour shifts.

Where an employee agrees, each employee will undergo a medical examination each 12 months paid for by the National. The results of the medical examination will be available to the employee, and only available to the employer with express written permission from the employee.

In order to assess the effects of the 12 hour shift operation, the parties agree to a review based on (but not be limited to) the following criteria:

- * Overall trends based on medical examinations (where results are provided)*
- * Absenteeism/sick leave data*

- * Accident/injury records
- * Employee feedback and questionnaire

This review will be conducted at the conclusion of 12 months after the implementation of the new shift structure or earlier if staff or management request.

The results will be considered by the Steering Committee, which may make recommendations as a result of this review.

11. ADMINISTRATION OF ROSTERED DAYS OFF

A schedule of rostered days off will be developed by each team.

This schedule will be set for each shift at the beginning of the four week cycle and this may only be altered by agreement between the employee and team leader. This schedule must be published before the commencement of the cycle.

By mutual agreement, employees may accrue a maximum of up to two RDO's at any one time.

Where an employee requests, and it is mutually agreed, RDO's may be cashed out at single time.

If an employee agrees with their manager to work on an RDO, they will be paid double time for all hours, with a minimum payment for four hours work.

The administration of RDO's will be part of the ongoing review process of the Steering Committee.

EXTRACT 3 (METALS MANUFACTURING)

29.4.3 Twelve hour days or shifts

By agreement between an employer and the majority of employees in the enterprise or part of the enterprise concerned, 12-hour days or shifts may be introduced subject to:

29.4.3(a) the employer and the employees are guided by occupational health and safety provisions and the ACTU code of conduct on twelve-hour shifts;

29.4.3(b) proper health and monitoring procedures are introduced;

29.4.3(c) suitable rosters are made available;

29.4.3(d) proper supervision being provided;

29.4.3(e) adequate breaks being provided;

29.4.3(f) an adequate trial or review process being implemented through the consultative process in clause 12.

References

Benson M. (1998) 'Implications of 12 Hour Workdays for Workplace Safety: Driver Safety and Machine Operation' in Katheryn Heiler *The 12 hour workday: emerging issues*, acirrt working paper 51, University of Sydney.

Bent S. (1998) 'The Psychological Effects of Extended Working Hours' in Katheryn Heiler *The 12 hour workday: emerging issues*, acirrt working paper 51, University of Sydney.

Heiler K. (1998) *The 12 hour workday: emerging issues*, acirrt working paper 51, University of Sydney.

Heiler K. (2000) *Shiftwork, Lifestyle and Safety Strategies for Bengalla employees and their families* ACIRRT, University of Sydney

Thomas A. (1998) 'Can we measure the productivity of the 12 hour shift? Problems and possibilities', in Katheryn Heiler *The 12 hour workday: emerging issues*, acirrt working paper 51, University of Sydney.

Department of Industrial Relations (NSW) (1997) *Occupational Health Newsletter*, no. 400, 7 August 1997.

3 innovative clauses

Performance pay schemes

The following clauses are unusually detailed in dealing with the administration of productivity-based bonus schemes. As with many innovative performance reward schemes, both are from agreements covering blue-collar trades employees.

The first agreement, from the building and construction sector, outlines an industry-specific mode of performance based pay. Employees are entitled to receive an hourly performance-based allowance subject to their willingness to undertake work as required, including overtime and shift work. This allowance accrues on time taken as authorised leave. However, penalties occur when employees are involved in industrial action or during unauthorised periods of absence; payments increase when employees undertake high levels of overtime in over a weekly period. This payment is formulated to deal with an industry-specific issue of high levels of absenteeism, and furthermore its provisions seek to ensure agreement compliance when industrial action is undertaken, through rewarding employees who honour agreement conditions.

The second agreement is from the manufacturing sector. It outlines a lump-sum performance payment to be negotiated through the company consultative committee, and with reference to performance standards and targets to be developed over the life of the agreement. Interestingly, the bonus is specifically designed to be self-funding, and is designed to be flexible in light of further productivity improvements which may offset enterprise agreement costs, such salary increase costings, and the employment of additional apprentice labour. However, the bonus is not available to casual employees, providing a concrete example of the ways in which casual employees may be disadvantaged.

EXTRACT 1 (BUILDING AND CONSTRUCTION)**5. PROJECT COMPLETION PAYMENT**

5.1 Subject to the conditions set out in this clause 5, an employee may qualify for the payment of a Project Completion Payment ("PCP") of up to \$90.00 per week.

5.2 To qualify for the PCP an employee must be ready, willing and available to work as directed for those hours that they are normally required to work by the Employer, including, in the case of employees who are not engaged on shift work, regular reasonable rostered overtime.

5.3 (a) PCP accrues weekly;

(b) PCP accrues during any week an employee is:

(i) carrying out their normal work; or

(ii) on paid leave; or

(iii) on authorised, unpaid leave; or

(iv) on workers' compensation, to a maximum of two (2) weeks.

(c) PCP does not accrue during any period of:

(i) unauthorised leave; or

(ii) other unauthorised absence.

(d) An employee forfeits any PCP that may accrue in any week in which the employee engages in any form of industrial action.

Provided that, in any week in which industrial action occurs the following conditions have been complied with fully:

(i) the employees and union officials concerned have complied fully to the provisions of Clause 15 - Project Grievance Resolution Procedure up to and including Step 4 of subclause 15.2; and

(ii) the union party to this agreement and the Chamber of Commerce and Industry representative have recorded and signed in accordance with the agreed protocol, that Clause 15 - Project Grievance Resolution Procedure has been fully exhausted up to and including Step 4 of subclause 15.2,

the employee shall forfeit only that portion of the payment as is referable to the period of industrial action, calculated in accordance with subclause 5.4.

(e) PCP does not accrue during or for a week in which an employee's employment is terminated for misconduct, or in which the employee fails to give notice in accordance with the Agreement.

5.4 PCP is calculated as an hourly rate, by dividing the weekly rate of \$90.00, by fifty two (52).

5.5 An employee who is absent in any calendar week, other than in accordance with subclause 5.3 (b), (c) or (d), accrues PCP on an hourly rate calculated in accordance with sub-clause 5.4, only by reference to half the time that the employee worked in that week. "eg. An employee has an unauthorised absence and misses a ten (10) hour day thereby only working for example, a forty two (42) hour week. Their PCP accrual will be based on

half of the hours they actually worked that week, being twenty one (21) hours multiplied by \$1.73”

5.6 An employee engaged on site for less than one week accrues PCP on an hourly rate calculated in accordance with sub-clause 5.4, only for those hours that the employee worked that week.

5.7 An employee who commences or ceases employment with the Employer after the beginning of a week, accrues PCP on an hourly rate calculated in accordance with sub-clause 5.4, only by reference to the number of hours that the employee worked in that week.

5.8 Subject to the conditions contained in this clause 5, an employee who works in excess of fifty-two (52) hours in any one week will accrue an additional \$1.73 per hour for each hour so worked.

5.9 PCP is payable only on termination of an employee’s employment at the Project site.

5.10 The Employer must provide details to each employee of the employee’s level of PCP accruals on a regular basis.

EXTRACT 2 (MANUFACTURING)

10. PERFORMANCE REWARD PAYMENT

(i) Within 3 months of the certification of this Agreement, the Company will develop and implement, in co-operation with the Consultative Committee, a Performance Reward Program that will reward employees and apprentices for delivering cost savings and productivity improvements to the business over the life of this agreement.

(ii) The Performance Reward Program will be self-funding and, subject to the achievement of specified productivity and performance targets, will have the potential to deliver to each employee covered by this Agreement a variable lump sum payment up to a maximum of \$1000 payable in January 2005 and a maximum of \$1000 payable in January 2006

(iii) Subject to company verification that all the cost increases associated with the following benefits have also been fully offset during the term of this Agreement, the Company may increase the 2006 performance reward payment to a variable lump sum payment of up to \$3,000 maximum.

(1) The cost of the salary increase in February 2005 provided for in clause 9 above;

(2) The cost of additional apprentices

(3) *The cost of increasing the E class allowance in clause 9; and*

(4) *The increased costs resulting from any lump sum contributions made by the Company to the Alcoa of Australia Retirement Fund.*

(iv) *The Performance Reward Payment will apply on a pro rata basis to the following Groups.*

(1) *Employees who spend time on unpaid leave, including unpaid parental leave, during the relevant 12 month period. The period of absence will not apply for the purposes of this payment.*

(2) *Employees absent on account of illness or injury for a total period in excess of 3 months in the relevant 12 month period. The period of absence in excess of 3 months will not apply for the purposes of this payment.*

(3) *New employees engaged during the relevant 12 month period. These employees will be eligible for this payment for the period of engagement only.*

(4) *Part time employees to reflect the proportion of contracted hours worked per week to the normal full time hours per week for the job concerned.*

(v) *The Performance Reward Program will not apply to casual employees or to those whose employment has been terminated for misconduct.*

Innovative Leave Schemes

Flexibility in leave entitlements is mooted to become an increasing trend as Australia's working population ages and diversifies. The first agreement, from the public sector, outlines flexible modes of accessing long service leave entitlements. Employees may access their long service leave on reduced pay for a longer period of time; alternately, they may choose to receive a higher rate of pay for a shorter time period. These flexibilities allow consideration of the needs of both the employee and the organisation.

The second agreement, from the community services sector, allows employees to undertake a period of purchased leave funded from a salary bank arrangement. Importantly, this clause provides flexibility in terms of the amount of leave purchased; under this clause, an employee may elect the percentage of salary to be sacrificed, cashing in after a maximum 4 year period. This leave can be accessed in support of other areas of the employee's life, notably including an extension of parental and family leave entitlements.

The final agreement, covering public service maintenance employees, imparts an innovative solution to the problem of inclement weather. The agreement allows employees to access a pool of accrued hours in order to provide paid time off during periods of excessively hot weather. This provision enables the intelligent use of leave flexibilities to deal with the stringencies of external environmental conditions.

EXTRACT 3 (PUBLIC SECTOR)**15. LONG SERVICE LEAVE**

The Victorian Operations Long Service Leave Employee Policy (February 2002) provides a detailed level of LSL provisions including the arrangements for LSL Flexibility. The following is a broad outline of the flexibility options.

Extended Leave Flexibility

Subject to consultation and agreement with the employee's Area Supervisor, An employee may apply to double the duration of a period Long Service Leave. The process of consultation and agreement will initially focus on ensuring that department manning requirements are not impacted on adversely.

This provision will be administered by actioning a payment equivalent to the number of weeks long service leave entitlement utilised only.

E.g. 6 weeks of LSL entitlement may be extended to 12 weeks leave for 6 weeks of pay.

This provision is restricted to a taking a minimum of 4 weeks LSL over 8 weeks and a maximum of 6 weeks LSL over 12 weeks. Furthermore, It is restricted to one period of extended leave flexibility per calendar year.

Extended leave flexibility will only be facilitated by payment in advance.

Increased Earnings Flexibility

Subject to consultation and agreement with the employee's Area Supervisor, an employee may apply to increase his/her earnings over a period of long service leave by decreasing the amount of time off accordingly.

This provision will be administered by actioning a payment in lieu for half the number of weeks of long service leave entitlement used.

E.g. 12 weeks of LSL entitlement may be taken over 6 weeks of leave in return for 12 weeks of normal total annualised salary entitlements.

This provision is restricted to taking a minimum of 8 weeks LSL over 4 weeks, and a maximum of 12 weeks over 6. Furthermore, It is restricted to one period of leave flexibility per calendar year.

Extended leave flexibility will only be facilitated by payment in advance.

EXTRACT 4 (COMMUNITY SERVICES SECTOR)*(13) Self Funded Career Break*

(a) By agreement with the Employer an employee may request that a percentage of his / her salary be placed in a trust fund to be established by The Cerebral Palsy Association of Western Australia Ltd.

(b) The employee may request that a percentage of salary be held in trust for a maximum period of 4 years, after which the employee may request payment of the money held in trust in a lump sum or as "salary" on a normal fortnightly basis.

(c) The employee may apply for an unpaid career break which shall be regarded for all purposes as leave without pay. Such leave may be for study, family reasons or to support other leave such as parenting leave.

(d) Participation in the self funded career break scheme and approval to take leave in the 5th year is subject to approval of the Employer having regard to the needs of the organisation and its clients, but having approved an employee's participation in the scheme, approval to take the leave shall not unreasonably be withheld.

(e) The conditions for participating in this scheme shall be agreed in writing between the respective parties. This shall include conditions whereby the parties can withdraw and an understanding as to the obligations in respect of the costs of administering the scheme.

EXTRACT 5 (PUBLIC SECTOR)**25. INCLEMENT – HOT WEATHER – AND ACCRUED HOURS**

When work is affected by inclement weather or the temperature reaches 36°C, operators will be contacted by their supervisor or team leader to discuss whether duties are suitable or if alternative duties are available or the employee will be provided with the opportunity to take advantage of accrued hours. This decision will be at the discretion of the employees supervisor.

25.1 Employees will be guaranteed a minimum of 3 hours pay if a decision is made to stop field activities due to inclement weather. Employees will be required to stay on duty for this period and conduct such duties as directed by their supervisor.

Employees may choose to cease work in this period with the approval of their supervisor and forfeit their 3 hours of minimum pay or a proportion of such pay equivalent to the period that they stopped working. The balance of these hours can then be paid out of the employees accrued hours.

Example 1 :- started at 7.00am , went home at 10.00am . 3 hours pay at appropriate Schedule of Rates Balance of the day paid out of accrued hours.

Example 2 : started at 7.00am , went home at 8.00am as mutually agreed. 1 hour pay at appropriate Schedule of Rates. Balance of the day paid out of accrued hours.

25.2 Where there is uncertainty over inclement weather for the following day, the supervisor may advise employees the night before of a late start for the following day. This may be no later than a 9.00am start and employees are to be advised by 7.30am . It will be the responsibility of the supervisor to ensure all employees are given reasonable notice the night before. Any late start to the day will be paid out of employees accrued hours.

25.3 Subject to the approval of their supervisor, employees may choose to start at 6.00am in the morning to minimize the effects of working during the heat of the day

Other Innovations

The first agreement, from the public sector, provides scope for the implementation of an employee assistance program. These programs are traditionally devised to enable employees to seek assistance with personal problems, whether they are work-related or private. This clause acknowledges the strain of a specific everyday work task on employees, and seeks to counteract its emotional effects.

The second agreement covers employees in the public sector whose job puts them in contact with hazardous chemicals on a daily basis. The agreement provides regular employer-funded health checks to determine the physical effects of the chemicals on employees. As an additional benefit, the employer pledges to fund hepatitis and influenza vaccinations.

The final agreement is from the public sector. It is unusual in that it sets out a detailed plan for dealing with the possibility of downturn in work. It outlines predetermined strategies to deal with temporary or prolonged periods of downturn, and requires consultation with employees in the event of these changes becoming necessary. It seeks to minimise the financial impact of any downturn on employees, with redundancies to be implemented only as a final resort.

EXTRACT 6 (PUBLIC SECTOR)*3.11 Euthanasia*

The parties recognise the psychological strain placed on employees required to Euthanase animals. In recognition of this the Employer agrees to engage an Employee Assistance Program, within 3 months of certification, to provide a counselling service to employees.

EXTRACT 7 (PUBLIC SECTOR)*18. HEALTH CHECKS*

18.1 Medical tests (red blood cell) will be provided to weed operators to test for the effects of chemicals. New employees – upon commencement. Existing employees – every 2 years. These checks will be paid for by the company.

18.2 Company will provide annual Flu vaccinations and either Hepatitis B or Hepatitis A & B injections for employees seeking such service. The timing of these vaccinations will be by negotiation between employees and management and will be expedited as soon as practical. Vaccinations are not compulsory but are recommended for health reasons.

EXTRACT 8 (PUBLIC SECTOR)*26. REDUNDANCY*

The Standard Termination, Change and Redundancy requirements will be met in addition to the following:

The following procedures will be adopted by the company in the event of any significant downturn of work for either [organisation] through a process of negotiation and consultation.

These steps are subject to agreement between the employer and an individual employee volunteering or a unanimous vote (in relation to step 4 described below) of employees of each division affected by the downturn in work.

Step 1. In the short term, volunteers will be sought to take time-off by use of holidays, accrued hours, long service leave, etc.

Step 2. Interchange of employees between [organisations] will be considered.

Step 3. Volunteers sought for a shorter working week at 10% above award rates.

Step 4. Working week reverts to a maximum 38 hour week for employees of either [organization] at 10% above the award rate (accrued hours will be renegotiated accordingly)

Step 5. Volunteers sought for a further reduction in hours to a part-time status.

Step 6. Volunteers sought for redundancy.

Step 7. Redundancy provisions will be implemented as per the respective awards.

4 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 April 2005, the ADAM Database has information on 12,198 registered enterprise (collective) agreements from the Federal and State jurisdictions as follows:

Federal (6018), NSW (1989), SA (884), Queensland (2062), WA (1137).

report written by

Larissa Bamberry and Alicia Pearce. Coding and data entry by Larissa Bamberry, Kalina Christova, Melissa Kerr, Anja Kirsch, Olga Kirtzner, Nick Lucchinelli, Alicia Pearce, Troy Sarina, and Jean Louise Vergara

special issue written by

Larissa Bamberry and Alicia Pearce

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 12,198 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

For more information or a no obligation customised quote call Larissa Bamberry on:

Ph: 02 9351 5713

Fax: 02 9351 5615

Email: l.bamberry@econ.usyd.edu.au

Web: www.acirrt.com

about acirrt, University of Sydney

Based at the University of Sydney, **acirrt** is one of Australia's leading, multi-disciplinary, research and training organisations. We monitor and analyse the changing nature of work. Integral to this is an examination of the wider institutional, economic and social structures as they impact on the workplace, organisations and individuals. **acirrt** retains a broad labour market perspective, and enjoys a reputation for independent, authoritative, rigorous and innovative research. Our clients include employers from the private and public sectors, employer associations, unions, community based organisations and both Coalition and Labor Governments.

Important Disclaimer. No person should rely on the contents of this publication without first obtaining advice from a qualified professional. This publication is sold on the terms and understanding that (1) the authors and editors are not responsible for the results of any actions taken on the basis of information in this publication, nor for any error in or omission from this publication; and (2) the publisher is not engaged in rendering legal or accounting advice or services. The publisher, authors and editors expressly disclaim any liability and responsibility to any person, in respect of anything, and of the consequences, done by any such person in reliance upon the whole or any part of the contents of this publication.

© Copyright. All rights reserved. No part of this work covered by copyright may be reproduced or copied in any form or by any means (graphic, electronic or mechanical, including photocopying, recording, record taping, or information retrieval systems) without the written permission of the publisher.