



Workplace Relations in Australia

January 2003

WorkSight Pty Ltd, an independent and innovative company delivering valuable human resource advice and training to a range of local, national and international clients. The company specialises in policy development, organisational change management and advice on employment practices.

Our second newsletter is designed to provide you with an update into current labour relations issues in Australia.

Final Paid Maternity Leave Paper presented to Government

Federal Sex Discrimination Commissioner Pru Goward has released her final paper, *A Time to Value: Proposal for a national scheme of paid maternity leave*.

The paper proposes a national scheme of paid maternity leave, entirely government funded, available to women in paid work at the time of the birth of a child.

Women, who have been in paid work for 40 of the 52 weeks before the birth of their child, including small business women, contractors and other self-employed, casual and part time workers, would be eligible.

The Human Rights and Equal Opportunity Commission commissioned the independent National Centre for Social and Economic Modeling (NATSEM) to model and cost the proposal.

NATSEM's final costing is estimated to be \$213 million in 2003-04, if offset against savings in payments under other schemes and additional tax collections, well below any other publicly available estimates. Without offsets, the total cost is estimated at \$460 million in 2003-04.

"NATSEM's figures show this scheme is an affordable first step for Australia," said Commissioner Goward.

The model assumes each eligible woman would be entitled to 14 weeks income replacement at a rate of up to the Federal Minimum Wage, currently at \$431.00 per week. That is, full wage replacement for a woman

earning the minimum wage who remains out of the workforce and at home with her child for those weeks. HREOC also recommends that the payment not be means tested

Commissioner Goward said employers should not be forced to pay for this scheme. But she said, if a government funded scheme was introduced, employers should be encouraged to top up the benefits to give more generous arrangements

"It is not sensible for employers to be forced to pay for maternity leave," she said.

Almost all other OECD countries do not require employers to pay maternity leave directly to their employees.

The final report has been released at a time that enables the Federal Government to consider the inclusion of such a scheme in the 2003 Budget.

[To access A Time to Value - Proposal for a National Paid Maternity Leave Scheme click here.](#)

ACTU's 2003 Minimum Wage Case

The ACTU (Australian Council of Trade Unions) has lodged a claim for a wage rise of \$24.60 a week for 1.7 million of the country's low-paid workers.

ACTU secretary Greg Combet said "the ACTU's 2003 Minimum Wage Case is aimed to ensure no Australian adult worker received less than \$12 an hour before tax."

ACCI wants regulation of employment conditions reduced

The Australian Chamber of Commerce and Industry (ACCI) wants agreements between employers and employees to be linked largely to productivity and business conditions.

The group also wants remaining regulation to be simple, flexible, regularly reviewed and to apply only to the minimum extent necessary as a genuine safety net.

This is part of a major, eight-year policy projection by ACCI launched in November 2002.

ACCI wants actual wages, employment conditions and day-to-day working arrangements to be determined by agreements rather than awards in most workplaces.



ACCI also wants the quality of workplace agreements to improve.

Although the ACCI report includes unions in its plans, they envisage a work environment where unions' role would be diminished. Workplaces would increasingly develop their own structures for direct management and employee consultation, workplace bargaining and for handling grievances and disputes.

Unions and business associations would participate in providing services to members seeking assistance in making collective or individual agreements. But there would be a minimum of formal requirements for making and approving workplace agreements.

There would be opting-out arrangements from the formal system for best practice workplaces. "There would be an increasing focus in workplace agreements on mutual interests, on the sharing of business performance, and on work, family and lifestyle balances," the report said

VECCI subscribers party to awards

In a recent decision by the Australian Industrial Relations Commission it was decided that VECCI

(Victorian Employers' Chamber of Commerce and Industry) subscribers are covered by awards that VECCI is a bound by. This is an important decision because it means that employers may have been party to an award without realising it.

Employers who join VECCI are automatically covered by any awards that VECCI is party to and that also apply to the employer's industry. A few years ago VECCI felt that this automatic coverage by awards was not wanted by some of its members and so it introduced a subscription-based service. It was intended that subscribers could use VECCI's services but not be covered by VECCI awards. However the Australian Industrial Relations Commission has said that subscribers to VECCI are no different to members of VECCI and so the awards cover subscribers just as they do members.

It is of utmost importance to employers that they know whether an award (or awards) apply to their business or not. If an award does apply and an employer was not aware of this fact and paid their employees less than the award rates of pay or less generous employment conditions they could be liable to a range of back pay claims (e.g. for wages, overtime, paid public holidays, bereavement leave, sick leave). Such claims could come from both current and past employees.

Carpenter v Corona
Manufacturing Pty Ltd, AIRC
(Whelan C) (PR924136)
30/10/02

Northern Territory: 14 Weeks Paid Maternity Leave

The NT Government will provide an extra two weeks paid maternity leave to women working in the NT public service, bringing NT public sector workers entitlements up to 14 weeks.

The Northern Territory will be the first jurisdiction in Australia to introduce 14 weeks paid maternity leave for public sector employees. Public sector female employees are already entitled to either 12 months maternity leave with the first 12 weeks paid, or 6 years leave without pay

Vocational Education and Training

A meeting of all the Ministers in Australian governments responsible for vocational education and training (VET) has agreed to pursue the introduction of nationally consistent legislation by July 2004. The legislation would be based on model clauses covering registered training organisations and New Apprenticeships.

MINCO (Ministerial Council) members said that the proposed legislation would:

- support the Australian Quality Training Framework, including national registration and sanctions for Registered Training organisations
- remove legislative barriers to New Apprenticeships



- achieve a nationally consistent training agreement for apprentices, trainees and their employers.

Organisational Change through training

Training can be the catalyst for positive change in the work environment, as well as the means of upgrading the skills of workers. One company that has been recognised for its efforts is P&O Cold Logistics, who received the 2002 Industry Award for Transport and Distribution from the Australian National Training Authority (ANTA).

The critical factor for the company was TAFE's willingness to work out a way for training to take place at the worksite, rather than taking people off-site to a training centre. One problem was that the off-site option was too disruptive for work schedules. The other issue was that training would be most effective in the real work environment rather than a classroom. P&O's worksite is a huge warehouse with a controlled temperature of 3° C

P&O looked to revamp their training programs because most workers on the floor of the warehouse were untrained and they had an inadequate understanding of their job role

However, the benefits went much further than improving workforce skills. Through the training process, and the participative way the company went about the training program, the work environment underwent a transformation. Industrial relations had not been ideal, and morale had also been poor. Once workers were involved in gaining knowledge about their work, their attitude to work changed dramatically.

The company's occupational health and safety record was another positive by-product of training. The number of incidents of lost time for injury dropped from 120 before the training program to just 20 incidents afterwards. Absenteeism also improved, dropping from 8% to 5%.
www.anta.gov.au

Still few women in executive positions

More than half of Australia's top 200 companies have no women in executive management positions,

according to a study by a federal government agency.

The Australian Census of Women Executive Managers showed Australian women held just 8.4 per cent of senior executive positions overall. Just two of Australia's top 200 companies had women chief executive officers, the study by the government's Equal Opportunity for Women in the Workplace Agency (EOWA) found.

54 per cent of those companies had no women at all in executive management positions.

The Australian Census of Women Board Directors showed women held just 8.2 per cent of board positions in those 200 companies.

The figures compare poorly with similar studies undertaken in the US, where just 14 per cent of companies had no women in executive management and female board directors made up 12.4 per cent of board positions.

ACTU to lodge 2 years Paid Maternity Leave in 2003

The has released details of its Work and Family Test Case, to be lodged in the Australian Industrial Relations Commission early this year.

The test case will seek to extend the current 12-months' maternity leave to two years and give workers returning from parental leave the right to work part-time.

The case also seeks to introduce a scheme that will allow employees to take a pay cut to "buy" an extra six weeks annual leave a year. Other proposed changes to award working conditions include allowing employees to change their start and finish times to accommodate child care arrangements and to take emergency unpaid leave to care for sick family members.

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Average Annualised Wage Increases

Average annualised wage increases were up 4.1 per cent in the September quarter, according to the Department of Employment and Workplace Relations (DEWR).

Wage agreements in all sectors for the September quarter were up 4.1 per cent, a 0.5 per cent increase from 3.6 per cent in the June quarter, DEWR said.

"Federal wage agreements certified in the September quarter 2002 allowed for an average annualised wage increase (AAWI) per employee of 4.1 per cent, up from 3.6 per cent in the June quarter 2002," DEWR said in its Trends in Federal Enterprise Bargaining report.

The Report available on the Department's website, shows that the private sector average annualised wage increase went from 3.2% in the June quarter to 4% in September. In the previous quarter, a Coles supermarket deal covering 55,000 workers granted only a 3% rise, and a Bi-Lo deal gave 15,000 workers a 2.5% increase.

Public sector AAWI was unchanged from the June quarter, at 4.3%, while the AAWI across all sectors increased by 0.5% to 4.1%.

Large public sector agreements, covering more than 500 employees, accounted for 24.9% of all employees covered by agreements certified in the quarter, and contributed significantly to the AAWI for all agreements.

In private sector agreements twelve finance industry agreements with AAWIs of 4.3% and 4.4%, covering 41,000 employees, contributed to the overall increase for private sector agreements in the quarter.

The deal delivering the highest rise was one covering 1100 utilities workers, and giving pay rises of 5.8%

Union-negotiated deals are still delivering higher wage increases (4.1%) than non-union deals (3.6%)

Report available on www.workplace.gov.au

This newsletter is intended to provide a general outline and is not intended to be and is not a complete or definitive statement of the law on the matter. Further advice should be sought before any action is taken in relation to the matters described in the newsletter

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