



Workplace Relations in Australia

September 2002

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 organisational change management and advice on employment practices.

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

Reasonable Hours of Work

The Australian Industrial Relations Commission (AIRC) has recently handed down its long awaited decision in the Reasonable Hours Test Case. This case was begun by the ACTU in an attempt to restrict the number of hours employees are required to work. A great deal of the supporting evidence was gained from European examples.

Whilst the ACTU was wanting to introduce a range of restrictions on working hours, the Commission has decided only to introduce a right of employees to refuse to do overtime if that would "result in the employee working unreasonable hours".

Factors, which the Commission believes should be taken into account in determining whether an employee would be "working unreasonable hours", are:

- "any risk to employee health and safety";
- "the employee's personal circumstances including any family responsibilities";
- "the needs of the workplace or enterprise";
- "the notice (if any) given by the employer of the overtime and by the employee of his or her intention to refuse it."

Women in Australia still earn less

The Equal Opportunity for Women in the Workplace Agency cite Australian Bureau of Statistics (ABS) data to indicate that women are earning on average just 84% of what men earn. The principles of pay equity are about providing equal remuneration for work of equal value. For employers, that means:

- paying men and women equally for work that is of equal skill and responsibility and is performed under comparable conditions

- ensuring that all workers have the same access to benefits, superannuation, allowances and other discretionary payments.

In Australia there is still a significant pay gap between men and women:

- women in full-time employment earn just 84.3% of male earnings (ABS May 2001)
- women in all types of employment (i.e., including full-time, part-time and overtime) earn just 66.3% of male earnings (ABS May 2001).

Valuing Parenthood: Paid Maternity Leave - Interim Options

The Sex Discrimination Commissioner released her long-awaited discussion paper on 18 April, she said employers need to be convinced that paid maternity leave is good for business.

The paper "Valuing Parenthood: Options for Paid Maternity Leave -- Interim Paper 2002" outlines various options for implementing a national paid leave scheme, but does not make actual recommendations.

Issues raised by the paper include the potential advantages of paid maternity leave, trends in birth rates, the health and welfare of mothers and newborn children, and provisions in other countries.

Submissions from interested parties were required by 12 July 2002. The Sex Discrimination Commissioner's final paper will be released in November. Copies of the interim options paper and media summary may be downloaded from the website:
www.humanrights.gov.au/sex-discrimination/pml

Working Your Way Through Pregnancy

The Government has released Working Your Way Through Pregnancy, a booklet to raise awareness and inform employees and employers of their rights and responsibilities regarding pregnancy and potential pregnancy issues in the workplace. It provides information about a number of issues related to pregnancy in the workplace including harassment, anti-discrimination and workplace relations laws, and access to parental leave. It also contains a list of organisations that can provide advice and assistance on these matters. This booklet has been produced by DEWR in consultation with the Attorney-General's Department and the Office of the Status of Women, as part of the Government's response to the HREOC report, Pregnant and Productive: It's a right not a WorkSight Pty Ltd

privilege to work while pregnant. A copy of the report can be found at www.workplace.gov.au

Trends In Enterprise Bargaining Report - June 2002

The Department of Employment and Workplace Relations (DEWR) has released its quarterly Trends in Enterprise Bargaining Report, based on the outcomes of agreements certified by the Australian Industrial Relations Commission (AIRC) in the June 2002 quarter. The report found that the overall average annualised wage increase (AAWI) was 3.6% - unchanged from the March quarter 2002.

Agreement Numbers

In the June 2002 quarter, the AIRC certified 1273 agreements covering an estimated 211,300 employees. This result brings the total number of enterprise agreements made from October 1991 to the end of June 2002 to 46,424. Federal wage agreements formalised in the June quarter 2002 paid an AAWI of 3.6%, unchanged from the March quarter 2002.

Wage Trends by Sector

There were 1,185 federal private sector wage agreements, covering an estimated 133,500 employees, paying an AAWI of 3.2% (down 0.4% from the March quarter), certified by the AIRC in the June quarter 2002.

In the June quarter 2002, 88 federal public sector wage

agreements, covering an estimated 77,800 employees, were formalised by the AIRC. The public sector paid an AAWI of 4.3% per employee, which is an increase of 0.4% from the March quarter 2002 (3.9%).

The full report is available at www.workplace.gov.au

Employment Services Industry

Remuneration Survey

WorkSight developed and conducted a remuneration and human resources survey in the employment services industry.

The objective of the project was to investigate, analyse, and report on the remuneration of selected key positions and personnel engaged in the delivery of government-sponsored employment and training services. In addition, the survey has investigated other workforce issues such as staff turnover, attraction and retention, and some other issues.

Some of the key findings were:

- In excess of 80% of employees in each job group received pay increases in the last 12 months.
- 55% of organisations offer salary sacrificing to their staff. 47% of these are able to sacrifice to the capped amount (\$30,000) and 49% are able to sacrifice a percentage of the capped amount.

- Up to 10% of all employees at all levels in most organisations opt to make additional superannuation contributions as a salary sacrifice.
- Only 19% of organisations have a staff turnover of less than 15%. 56% of organisations have a staff turnover of 15% to 29%.
- Performance targets were practiced by 83% of organisations.
- Non-financial reward schemes were made available to staff by 68% of organisations
- 97% of organisations offered training and development opportunities

Adam Report For The March 2002 Quarter

The Agreements Database and Monitoring (ADAM) Report for the March 2002 quarter, compiled by the Australian Centre for Industrial Relations Research and Training (ACIRRT), has recently been released

Enterprise Agreements And Working From Home

The ADAM Report took a closer look at working from home provisions in agreements. The Report emphasised that a recent Australian Bureau of Statistics (ABS) publication 'Australian Social Trends'

stated that working from home offers a variety of benefits to both employees and employers.

According to ABS data, in June 2002 there were almost 1 million home workers in Australia. Three quarters of them were aged 35 years and over, and 45% were women. The highest proportion of home workers were employed in Agriculture (50.4%) and Personal and Other Services Industry Sectors (15.3%). The occupations that had relatively high proportion of home workers included managers and administrators (39.4%) advanced clerical and service workers (28%) and professionals (15.2%).

ADAM Report No 33 June 2002 – available by subscription from ACIRRT University of Sydney or order online by going to: www.accirt.com

ACTU Redundancy Test Case

The Australian Council of Trade Unions (ACTU) has launched a redundancy test case. The aim of the test case is to create a new national standard that will increase the severance pay entitlements of millions of Australian workers and include entitlements for long-term casuals. The case is likely to be heard by the Australian Industrial Relations Commission (AIRC) later this year.

New National Standards Sought

The current standard in most Federal awards was created as a result of the ACTU's Termination, Change and Redundancy Test Case (TCR Test Case) in 1984. This standard excludes casual employees from a severance pay entitlement. It also excludes those who work for employers with less than 15 employees. The standard entitlement is based on the years of service of the employee.

Period of Service	Current Standard (weeks)	Test Case Standard (weeks)
Less than 1 year	Nil	Nil
1 – 2 years	4	4 (or 5 weeks if over 45 yrs old)
2 – 3 years	6	7 (or 8.75 weeks if over 45 yrs old)
3 – 4 years	7	10 (or 12.5 weeks if over 45 yrs old)
4 – 5 years	8	12 (or 15 weeks if over 45 yrs old)
5 – 6 years	8	14 (or 17.5 weeks if over 45 yrs old)
6 or more years	8	16 (or 20 weeks if over 45 yrs old)

Amendments to the Workplace Relations Bill

The following Bills are before the 40th Session of the Australian Parliament. They seek to amend the Act. Links have been provided to enable readers to review the content of the Bills and their status.

[Workplace Relations Amendment \(Fair Dismissal\) Bill 2002](#)

[Workplace Relations Amendment \(Fair Termination\) Bill 2002](#)

[Workplace Relations Amendment \(Genuine Bargaining\) Bill 2002](#)

[Workplace Relations Amendment \(Improved Protection for Victorian Workers\) Bill 2002](#)

[Workplace Relations Amendment \(Improved Remedies for Unprotected Action\) Bill 2002](#)

[Workplace Relations Amendment \(Prohibition of Compulsory Union Fees\) Bill 2002](#)

[Workplace Relations Amendment \(Secret Ballots for Protected Action\) Bill 2002](#)

[Workplace Relations Amendment \(Simplifying Agreement-making\) Bill 2002](#)

[Workplace Relations Amendment \(Transmission of Business\) Bill 2002](#)

[Workplace Relations Legislation Amendment Bill 2002](#)

[Workplace Relations \(Registration and Accountability of Organisations\) Bill 2002](#)

[Workplace Relations \(Registration and Accountability of Organisations\) \(Consequential Provisions\) Bill 2002](#)

OECD Review of Family Friendly Policies

Australia has recently participated in a three country thematic review of family friendly policies undertaken by the Organisation of Economic Co-operation and Development (OECD). The study aims to increase understanding of policies that help families to reconcile work and caring responsibilities. The Department of Family and Community Services, in conjunction with DEWR, has provided the OECD with *Australia's Background Report - OECD Review of Family Friendly Policies: The Reconciliation of Work and Family Life* as part of this study. A full copy of the report is available at www.workplace.gov.au

ACCI National Work And Family Award Winners

IBM Australia has won the 2002 Australian Chamber of Commerce and Industry (ACCI) National Work and Family Gold Award for overall outstanding achievement in addressing the work/life needs of its employees.

IBM was judged to provide an outstanding range of work and family options for both men and women, across all employee groups. A leading technology company with around 10,000 employees, IBM Australia is committed to creating a workplace culture that enables employees to

balance work and personal priorities. IBM provides a wide range of flexible working arrangements, paid maternity leave (6 weeks) and paternity leave (1 week), a keep in touch scheme for those on parental leave, support for breastfeeding mothers, school holiday program and an extensive information and referral service to assist staff with work/life issues. Managers are assessed on their ability to support staff in achieving work/life balance, and the company has instigated a 'Get Balanced' program to help them do this.

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

© WorkSight Pty Ltd
September 2002

Rae-Anne Medforth -
☎ +61 (0) 2 9560 3965
+61 (0) 411 054 119
raeanne_medforth@worksight.com.au

Siân Owen -
☎ +61 (0) 3 9372 8126
sianowen@worksight.com.au

Janet Nicolson -
☎ +61 (0) 3 9381 4277
janetnicolson@worksight.com.au