

IN THE COMMONWEALTH CONCILIATION AND ARBITRATION
COMMISSION

In the matter of the *Conciliation and Arbitration Act* 1904-1970

and of

NATIONAL WAGE CASE 1971-1972

and of

THE AGRICULTURAL IMPLEMENT MAKING AWARD, 1936

(Nos 24 and 39 of 1935; 8 of 1936; 11 of 1949; 138 of 1951)

(C No. 1875 of 1971)

and of

THE METAL INDUSTRY (INTERIM) AWARD, 1971

PART II DRAUGHTSMEN, PRODUCTION PLANNERS

AND TECHNICAL OFFICERS

(C No. 1909 of 1967)

(C No. 1897 of 1971)

and of

THE PROFESSIONAL OFFICERS' ASSOCIATION

COMMONWEALTH PUBLIC SERVICE and others

Claimants

v.

THE MINISTER FOR THE ARMY and others

Respondents

(C No. 1907 of 1971)

and of

THE COMMONWEALTH PUBLIC SERVICE ASSOCIATION

(FOURTH DIVISION OFFICERS)

Claimant

v.

THE PUBLIC SERVICE BOARD and others

Respondents

(C No. 1908 of 1971)

Variation of awards and determinations—Rates of pay—Minimum wage for adult males—Adjustment of minimum wage—Effect of movements in prices and national productivity—Examination of the national economy—Effect of wage increases awarded since National Wage Case 1970—Effect of inflation upon the real purchasing power of wages—Consideration of the unemployment situation—Role of the Commission—Future of national wage cases—Consideration of difficulties being experienced by the Pastoral Industry—Conciliation and Arbitration Act 1904-1970 ss. 34, 36, 44A—Public Service Arbitration Act 1920-1969 s. 15A—Decision issued.

VARIATION—METAL INDUSTRY (INTERIM) AWARD—PART II

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Classification	New South Wales		Victoria		Queensland		South Australia		Tasmania	
	Broken Hill	Elsewhere	Yallourn	Elsewhere	Queensland	Whyalla and Iron Knob	Elsewhere	Within 10 miles of C.P.O. Launceston	Elsewhere	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(c) Female Rates—										
Subject to Leading Rates where 100 per cent will apply. Any adult female employee classified as a draughtsman, planner or technical officer shall be paid the following percentages of the rates for male employees of the same classification:										
Date of Effect (1st pay period on or after)—										
1.1.1971	95	per cent of corresponding male rate								
1.1.1972	100	per cent of corresponding male rate								
In calculating the rates the amounts shall be taken to the nearest 5 cents; any broken part of 5 cents in the result not exceeding 2 cents to be disregarded.										

C. The foregoing variations shall come into operation as from the beginning of the first pay period to commence on or after 19 May 1972 and shall remain in force until 19 February 1973.

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On 5 and 12 November 1971 applications were filed on behalf of The Sheet Metal Working Agricultural Implement and Stove Making Industrial Union of Australia and others and the Association of Architects Engineers Surveyors and Draughtsmen of Australia for orders varying the above awards.

On 15 and 17 November 1971 applications to vary Determinations Nos 19 of 1961 and 216 of 1970 and No. 10 of 1929 were lodged by The Professional Officers' Association, Commonwealth Public Service and others and The Commonwealth Public Service Association (Fourth Division Officers).

Applications C Nos 1875 and 1897 of 1971 were listed before the Commonwealth Conciliation and Arbitration Commission (Senior Commissioner Taylor) and those numbered C Nos 1907 and 1908 of 1971 were listed before Public Service Arbitrator Chambers on 18 November 1971. In each matter application was made that the matters should, in the public interest, be dealt with by the Commission constituted as provided by section 34 (1) of the *Conciliation and Arbitration Act 1904-1970* namely by not less than three members of the Commission nominated by the President, at least one of whom is presidential member, and as provided by section 15A (1) of the *Public Service Arbitration Act 1920-1969*, namely by at least 2 presidential members and the Public Service Arbitrator. On the same day the President directed that the matters should be so dealt with.

The matters thereupon came on for hearing before the Commission (Moore, Williams and Aird JJ., Deputy Presidents, Public Service Arbitrator Chambers and Senior Commissioner Taylor) in Melbourne on 24 November 1971.

- R. Willis for The Amalgamated Engineering Union and others and with M. R. Baldwin for The Sheet Metal Working, Agricultural Implement and Stove Making Industrial Union of Australia; C. O. Dolan for the Electrical Trades Union of Australia; R. M. Lundberg for The Federated Ironworkers' Association of Australia; N. V. Polglase for the Australasian Society of Engineers.
- W. J. Richardson, G. L. Walker and G. Butcher for the Association of Architects Engineers Surveyors and Draughtsmen of Australia.
- W. F. Cox and W. L. Milford for The Professional Officers' Association Commonwealth Public Service.
- P. Munro, W. J. Smith and W. Mansfield for The Commonwealth Public Service Association (Fourth Division Officers).
- B. J. Maddern, of counsel, for The Victorian Chamber of Manufactures and others.
- P. A. E. McCormick for the Public Service Board and another.
- J. A. Keely, Q.C., and K. D. Marks, of counsel, for the Attorney-General of the Commonwealth of Australia (intervening).
- P. Munro for the Council of Commonwealth Public Service Organisations (intervening).
- E. J. Nichols and J. R. Andrews for the Australian Public Service Federation (intervening).
- J. W. O'Hanlon for The Association of Professional Engineers, Australia (intervening).
- W. J. Richardson for the Australian Council of Salaried and Professional Associations (intervening).

1971.
MELBOURNE,
Nov. 24, 25,
1972.

Feb. 22-25;
March 1, 3,
8 10, 14, 21, 22;
May 5.

—
Moore, J.,
Williams, J.,
Aird, J.,
Arb.
Chambers,
Senr
Commr
Taylor.

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E. S. Cole for The Graziers' Association of New South Wales and others (intervening).

On 5 May 1972 the following decision was issued by the Commission:

On this occasion four separate claims were made regarding National Wage, two under the *Conciliation and Arbitration Act* and two under the *Public Service Arbitration Act*. On 18 November 1971 the President issued directions in each matter for hearing before a Full Bench. At the commencement of the proceedings it was decided without objection to hear together the two matters under the *Conciliation and Arbitration Act*, to hear together the two matters under the *Public Service Arbitration Act*, and, as a direction had been given by the President under section 44A of the *Conciliation and Arbitration Act*, to join all four matters for the purpose of taking evidence and hearing argument. The Attorney-General on behalf of the Commonwealth intervened in the public interest in the two matters under the *Conciliation and Arbitration Act*.

The claims in each matter are different and are as follows:

1. C No. 1875 of 1971—Application by the Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia and others to vary The Agricultural Implement Making Award by—
 - (a) increasing rates for all adults by \$12.50 per week
 - (b) increasing the minimum wages for adult males to \$70.00 per week
 - (c) providing for adjustments of the minimum wage each quarter according to movements in the Consumer Price Index.
2. C No. 1897 of 1971—Application by the Association of Architects Engineers Surveyors and Draughtsmen of Australia to increase adult male rates in the Metal Industry (Interim) Award 1971 Part II by nine per cent plus \$1.50 per week and to increase adult female rates by the same amounts.
3. C No. 1907 of 1971—Application by The Professional Officers' Association Commonwealth Public Service to increase by six per cent all salaries in Determinations Nos 19 of 1961 and 216 of 1970.
4. C No. 1908 of 1971—Application by The Commonwealth Public Service Association (Fourth Division Officers) to increase by 7.7 per cent all salaries in Determination No. 10 of 1929.

The claims therefore can be summarised under the following three headings:

1. Claims to increase wages and salaries by varying amounts and percentages.
2. A claim to increase the minimum wages for adult males to \$70.00 per week.
3. A claim for the quarterly adjustment of the minimum wage for adult males.

When the proceedings opened on 24 November 1971, Mr Willis for the blue-collar workers generally, indicated that the unions desired to proceed immediately with their claims for increased rates of pay but to defer until February 1972 the claim regarding the minimum wage for adult males as they were not in a position to proceed with it. This course was strongly opposed by private employers, the Commonwealth Public Service Board and by the Commonwealth.

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After hearing argument the Commission indicated that whereas the unions could put their case in two parts as requested it would not call on the employers to reply until the unions had completed their whole case on all aspects.

Mr Willis then sought an adjournment and subsequently on 7 February 1972 the unions applied for the matters to be relisted. The further hearing commenced on 22 February 1972.

On this occasion we have decided to summarise the submissions of the parties at greater length than on other occasions. We do this because we wish to give an indication not only of the conflicting claims of the unions but also of the nature of the submissions put to us as to the state of the economy and the various attitudes which were taken regarding the causes of the current inflationary trends and as well because they raised in our minds certain fundamental questions which we refer to later. The summaries do not purport to be a precis of all the submissions but draw attention to the main arguments which were presented.

Union Submissions

As to the claim for \$12.50 per week increase in award wages it was explained by Mr Willis that, as in previous cases, the claim was based on the movements in prices and national productivity since 1953. For reasons indicated in earlier cases we decline to adopt such an approach and we propose to direct our attention, in the main, to developments which have occurred since the last National Wage case and to the prospects for the future. Even on the basis of the movements in prices and productivity since the last National Wage case, less movements in award wages, Mr Willis claimed that further increases ranging from 4.7 per cent to a little over 6 per cent were justified. The basis of his calculation was:

	Per cent
Increases in prices	9.0
Plus increase in productivity	1.0
Less increase in award wages	5.3
	4.7

A similar calculation based on the average increase in productivity of about 2.5 per cent per annum resulted in just over 6 per cent.

The summary of Mr Willis' further submissions is as follows:

The state of the economy is not such as to inhibit the Commission from granting the increases claimed. On the score of inflation—although prices rose at a sharper rate in the last year than for many years the present situation is not the result of current demand or cost pressures. The increase in the rate of inflation was not peculiar to Australia but was due in part to the influence of past demand pressures and in part was a reflection in Australia of the worldwide situation. The level of tariff rates in some instances had also enabled employers to increase prices and profits without prejudicing their competitive position. As in the 1971 *Annual Leave case*,⁽¹⁾ reference was made to economic articles relating to the inflation crisis. Particularly as demand pressures had eased an increase in wages would not add substantially to inflationary pressures. The easing of demand pressures was illustrated by the employment figures which had shown an almost continuous decline since their peak in April 1970. The unemployment situation had been aggravated by a restrictive budget in 1971 but the Government had now reversed its budget strategy and employment should improve. Even

(1) 144 C.A.R. 528

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if increases in wages were tied to the overall increase in productivity, as argued by the employers, price inflation would not be eliminated and thus wages would lose their real purchasing power.

The unions did not expect the Commission to set out to change the distribution of income as between labour and capital. In reply, it was stated that the percentage of the national product going to wages and salaries when appropriate adjustments for non-profit industries had been made had declined and the share going to profits had increased. This was due in part to a one-sided incomes policy by the Government which sought to limit wage increases but made no attempt to control prices or profits. If the Commission succumbed to the plea that it should be an economic stabiliser it would be departing from its proper role of settling industrial disputes. It could not refuse to move wages in line with prices and productivity and at the same time purport to settle industrial disputes.

The main two weaknesses in the economy at present are inflation and unemployment. However a wage increase at the present time would not materially affect the rate of inflation and the unemployment situation had been aggravated by a restrictive budgetary situation which had now been reversed.

The Balance of Payments situation was almost embarrassingly healthy. Wool prices had increased during 1972 (partly due to the recent currency re-alignment). Britain's likely entry into the Common Market would have only a slight impact on Australian exports.

A fair gloss of his submissions was that there was nothing in the economic situation which would preclude the granting of the unions' claims.

In reply to the employers' submissions he said that if no increase or only a small increase were granted it would inevitably lead to further pressure both inside and outside the Commission on an industry basis for wage increases and the Commission was reminded that a further conference in the metal industry was scheduled shortly. Any increases agreed to or awarded as a result of such pressures would spread to other industries and national wage cases as known at present would disappear as the only purpose they would serve would be to pass on to the minority the increases which had been awarded to the majority. Such a process would lead to increased industrial unrest in industry.

As to Minimum Wage, Mr Willis pointed out that it was first introduced by the Commission's own action in 1966 and in its own words was intended to give 'some immediate relief' to low wage earners. Some such step was necessary because the basic wage had, since 1953, fallen below its proper level. The survey which had been conducted in Melbourne by the Institute of Applied Economic Research at about the time the minimum wage was introduced (1966) adopted a poverty level of \$33.00 (being the Basic Wage plus Child Endowment plus 80 cents). That poverty level brought up to date to accord with movements in average weekly earnings since then to compensate for changes in prices, productivity and community standards (the method adopted by the authors of the poverty survey and others) showed that the present minimum wage was substantially too low and that a gross income of \$64.30 would be necessary to achieve that level of spendable income.

In addition Mr Willis called evidence from two social workers who gave some information of the problems which face very low income families. Evidence was given by a dietician who presented a careful study of minimum food requirements and the cost thereof in Sydney. Mr Willis also created theoretical budgets, for Sydney, Melbourne and Adelaide, based on the costs of food, housing,

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transport, clothing, medical care and so on. The budgets, which were subjected to various criticisms including the allowances in them for some items such as a car, cigarettes, beer and medical benefits, etc., resulted in an estimated weekly cost for a family of four (ignoring the incidence of child endowment and taxation) of \$56.02, \$56.68 and \$49.08 for Melbourne, Sydney and Adelaide respectively. Furthermore, the omission of various items from the budgets and increasing community standards would justify the granting of the unions' claim.

Mr Munro for the Commonwealth Public Service Association (Fourth Division Officers) and for the Council of Commonwealth Public Service Organisations, for which he was granted leave to intervene, supported Mr Willis' submissions and, whilst not abandoning his claim, stated that an increase of at least 6.1 per cent should be awarded. However his associations claimed a percentage increase as against the flat money increase sought by the blue collar workers on the ground that a flat money increase would amount to a favouring of the lower-paid wage earners. A percentage increase would give equal consideration to all sections of wage earners and the low wage earner should be looked after via increases in the minimum wage. Particularly in the absence of any price fixing procedures, wages and salaries should not be the area in which increases were restricted for economic reasons and the Commission should keep its awards up to date with movements in prices and productivity. If the Commission refused to grant increases which it would otherwise have awarded but for inflationary pressures, it would be furthering a one-sided wages restraint policy.

These bodies supported Mr Willis' arguments for an increase in the minimum wage.

Mr Richardson for the Association of Architects Engineers Surveyors and Draughtsmen of Australia explained the basis of the Association's claim as being for nine per cent increases to compensate for movements in prices since the previous National Wage case and \$1.50 per week being, he said, the average movement of 2.5 per cent in productivity applied to the average minimum weekly award wage figure.

For his Association and for the Australian Council of Salaried and Professional Associations for which he was granted leave to intervene he generally supported the arguments put forward by Mr Willis and he submitted that in the absence of an integrated policy including restraints over prices, justice would not be done unless wages were adjusted in line with movements in prices and productivity.

He also supported the claims relating to the minimum wage.

Mr Cox for The Professional Officers' Association Commonwealth Public Service and for the Council of Professional Associations for which he was granted leave to intervene, in advancing his claim for six per cent increases in salaries maintained that employees in general were entitled to their fair share of goods and services, claiming that wages and salaries as a percentage of gross national product with certain variable factors removed had fallen in recent years. As to inflation, the current rate was not calamitous in relation to the rates overseas. Inflation was a worldwide problem which this Commission cannot correct and the responsibility for the management of overall demand rested with the Commonwealth. The Government misread the situation in 1971 and was now taking steps to reactivate the economy. A variety of factors affected inflation and other aspects of the economy but having regard to the extremely healthy balance of payments position, the high rate of capital inflow,

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the favourable position of exports and the recent Government action to increase demand, there was ample capacity for salary increases of the order claimed by the Professional Officers' Association. As to the state of the economy, reference was made, amongst other things, to statements by the Prime Minister at the opening of the Premiers' Conference on 14 February 1972 and the Treasurer on 24 February 1972 both of which drew attention to improvements in certain sections of the economy.

A percentage increase was sought because it was claimed that such an increase was necessary to preserve the relative advantage of the higher skilled employees. As to the claim for six per cent increase, this amounted to only four per cent per annum as eighteen months had elapsed since the 1970 *National Wage case*. Increases in the minimum wage were supported but it was questioned whether fifty per cent (as claimed) was justified.

Mrs Barnes, intervening for The Association of Professional Engineers, Australia also supported a percentage increase in all wages and salaries claiming that the maintenance of percentage relativities should be a basic principle of wage fixation in economic cases.

Mr Nicholls, intervening for the Australian Public Service Federation, supported the claims for percentage increases in salaries and also the claim for a minimum wage of \$70.00 per week. He also referred to increases in prices which had taken place since the last National Wage case and submitted that the Commission's role was to settle industrial disputes by adjusting wages according to movements in prices and productivity and that it was not the function of the Commission to engage in the management of the economy.

Commonwealth Government

Mr Keely for the Commonwealth discussed first the broad overall trends in the economy.

The summary of his submissions is as follows:

The output of goods and services is at present maintaining a moderate rate of growth. In 1970-71 the growth in gross national product was 4.3 per cent which was lower than in previous years. The rate of growth of personal consumption expenditure slowed considerably in 1970-71, being in real terms 3.1 per cent compared with 5.5 per cent in 1969-70. This happened despite a strong growth in personal disposable income. In recent months there has also been a slackening in the growth of private non-dwelling investment. Although there was a mild downturn in the growth of private dwelling investment in 1970-71 it now appears to be on a rising trend owing to an improvement in the flow of finance for housing. In December 1971 quarter total private fixed capital expenditure also decreased in real terms from the September quarter level. Public sector spending overall increased less rapidly in real terms in 1970-71 than in 1969-70 but it has been rising faster in the current year.

The fall in demand had led to a rise in unemployment and at the end of January a little over 130,000 persons were registered for employment including 39,500 school leavers. The Government has taken significant action to prevent the upward trend from continuing.

On the subject of wages, prices and productivity the Government expressed concern at a widening of the gap between wage costs and productivity. Average weekly earnings rose by 11.3 per cent in 1970-71. Over the year to November 1971 minimum weekly award wage rates increased by 12.1 per cent. Reference was made to the Metal Industries Interim Award decision of July 1971 and it was

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claimed that there had already been a very sizeable flow-on. Recently there have been substantial increases of salaries in the 'white collar' area including bank officers and the Victorian Public Service and there are indications of continued pressures for further increases in award wages outside the National Wage case. Increases of the above type had pre-empted the granting of increases in the National Wage case.

As to prices there appears to be an underlying upward trend of about 7 or 8 per cent per annum. If the rate is to be curbed a slowing in award wage increases is imperative.

The growth in productivity in 1970-71 was about 1.4 per cent compared with an average annual rate of increase of about 2.6 per cent. Figures for the current year suggested that some further restoration of productivity growth towards the longer term trend rate may be occurring.

In the result wage earners had been receiving relatively greater increases in their incomes than other groups in the community.

The decline in the volume of rural production in 1970-71 (4.7 per cent) was stressed. The volume of wool produced dropped by 3.6 per cent and the gross value of production by over 25 per cent. The volume of wheat produced was down by 25.2 per cent. Net farm income in 1970-71 was \$874m compared with \$1,028m in 1969-70 and except for 1967-68 was the lowest for many years. Prospects are more encouraging and it is expected that farm income could be 11 per cent higher in 1971-72 than in 1970-71. Rising wage costs and increasing prices due to wage cost increases had largely contributed to the 'cost-price squeeze' experienced by farmers and this was a further reason for restraint in wage increases.

The Government was concerned that prices were rising at a faster rate than in most of our major trading partners and it was stated that 'A faster rate of inflation than in most other countries, coupled with declining or, at best, very slightly increasing prices for our exports, is hardly a situation to be viewed with equanimity'. The balance of payments position is strong but this is largely due to a large inflow of capital.

The causes of inflation were discussed and the attitude was expressed that excessive wage increases were the major factor. It could not now be argued that there was general excess demand which was causing inflation and the relevance of the economic articles referred to by Mr Willis was denied.

The Commonwealth also replied at length to Mr Willis' criticism of the budget strategy but we do not consider it necessary to summarise those submissions.

The Commonwealth's general submission was to oppose any increase in the total wage.

It also opposed automatic price adjustments to the minimum wage but an increase in the minimum wage itself was not opposed. However any increase should not be of such a magnitude that it would have serious repercussions on the economy or spark off agitation for increases in total wage rates to restore pre-existing relativities with the minimum wage.

Private Employers

Mr Maddern for the private employers, who opposed any increases at all, emphasised that the claims for blue and white collar workers respectively were different in nature. He pointed out that the blue collar workers' claim in particular was based on a formula going back to 1953 and that no account was taken

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of the economic situation either in 1953 or now. He strongly opposed taking 1953 as the base and said that whereas claims based on movements since the last assessment were arguable, any attempt to go behind that date was not tenable. The blue collar workers' claim in particular is based on movements in prices and productivity and Mr Maddern claimed that the unions had failed to examine seriously what had happened to award wages and earnings since the last assessment. We have already expressed the view that we propose in the main to direct our attention to developments which have occurred since the last National Wage case and the prospects for the future.

He criticised the blue collar workers for using the Agricultural Implement Making Award as the vehicle for the claims instead of the Metal Trades Award and submitted that the Commission could not ignore the increases in rates awarded by Mr Commissioner Hood in July 1971 in the Metal Industries Interim Award case.

The summary of his principal submissions is as follows: Average weekly earnings increased by 11.4 per cent from December 1970 to December 1971 and minimum award wages increased by 12.5 per cent from December 1970 to November 1971. National productivity increased in 1970-71 by 1.4 per cent and the trend rate has been no higher than that at least in the last six months. Accordingly wage increases were substantially in excess of the increase in productivity and this had led to substantial price increases. Although there had been some easing of the wages drift in recent months the increases in award rates were at a higher rate than ever and there was no economic capacity for any further wage increases as a result of these proceedings.

The basic stand of the employers was that the Commission should look at past productivity performance and make an estimate as to whether wage increases could be awarded without increasing prices. An increase was not open at the present time as wage increases in the last year had so greatly outpaced the increase in productivity.

Mr Maddern referred at some length to the various industry cases which had occurred during 1971, emphasising in particular the Metal Industries Interim Award increases and their flow-on to other awards. He submitted that if general increases in the rates in industry awards were to continue national wage cases would 'lose their meaning and purpose and must be abandoned on economic grounds'. It was because of the increases awarded in industry cases that the present economic capacity was exhausted and there was no room for further increases.

One of the main grounds relied on by the unions for a wage increase was the increase in prices but a process of adjusting wages for price increases would be inflationary, particularly if the price increases were the result of earlier wage increases. The Commission would need to consider the reasons for the price increases and the effect a wages increase would have on the economy. The present inflation was not occurring in a time of excess demand or increasing profits but was due to wage increases, increased Government charges and increased indirect taxation designed to reduce demand. In such circumstances it would be wrong to adjust wages because of the price increases which had occurred.

As to the economic indicators, there was declining consumer demand and rising unemployment as the same time that prices were rising sharply, the economy was lagging and there was no sign of immediate recovery. The number of unemployed in January 1972 was on a seasonally adjusted basis 89,500 and the number of job vacancies had fallen significantly.

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Personal Consumption Expenditure as a percentage of Gross National Product had declined and unless there were lifts in employment and confidence the position would remain subdued.

Statistics relating to retail sales, motor vehicle registrations and building approvals, commencements and the number under construction showed declining trends as to volume particularly in the last year. The rate of increase in Gross Capital Expenditure had also fallen.

As to overseas trade—imports in 1971 increased by only 3.0 per cent and in fact were down by 1.5 per cent in the December quarter. This demonstrated a decrease in demand because of a slowdown in business activity. There was a substantial balance of trade surplus as exports had increased although not as sharply as in the previous year. This slowdown was largely due to the fall in the value of exports of minerals. Britain's entry into the European Economic Community had raised doubts as to the future exports of dairy products, meat, sugar and fruit. Although there was a balance of trade surplus, the growth of invisible debits must make us more reliant on capital inflow for a favourable balance of payments.

As to the rural sector, increases in wages and other costs since the last National Wage case had further adversely affected the position. The average price for wool in 1970-71 was 29.34c per lb. compared with 37.55c in the previous year, the gross value of production had fallen from \$735m to \$555m and the value of exports from \$825m to \$593m. The volume and gross value of production of rural products have declined and rural indebtedness has grown significantly (by \$49m) in the last year and by \$241m in the last two years. There was no real evidence of an improved position in the wool industry and its prospects were not bright.

Although Mr Willis had produced economic articles to support the submission that the present inflationary situation was due in the main to increases in import prices or to a spillover from high consumer demand in recent years, Mr Maddern said that the present inflationary trend was essentially due to increasing costs stemming from wage increases and Government taxing policy.

As to the minimum wage, its concept and its application should be re-appraised to ensure that they were consistent with its original purpose. The present clause in the Agricultural Implement Making Award (the award before the Commission) does not carry out the true concept of a minimum wage as discussed by members of the Commission in 1966 and it should be re-expressed to ensure that the minimum wage was a social wage and not a foundational wage in any sense. This was now of more importance owing to the disproportionate increases awarded to the minimum wage in the last two national wage cases.

No conclusions could be drawn from the case put forward by the unions as to an appropriate living wage for any section of the community. In particular the attempt to create a household budget which, he said, was a hypothetical example of what a low wage earner might spend rather than what it is necessary to spend, could be of no assistance to the Commission. There was no real information as to the actual living standards of people at or about the minimum wage and the evidence about the households of three alleged low wage earners was of no assistance as in each case the families concerned had special problems. Various items in the budget put forward by Mr Willis were open to criticism and what material there is supports the adequacy of the present minimum wage.

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The adjustment of the minimum wage for movements in the Consumer Price Index was also opposed.

Pastoral Industry

Mr Cole, intervening for The Graziers' Association of New South Wales and other members of The Australian Woolgrowers' and Graziers' Council made particular submissions as to the difficulties being experienced by the pastoral industry and they were as follows:

The pastoral industry is large and in addition many people are dependent on it for their wellbeing. The Commonwealth has recognised the intense nature of the industry's difficulties by introducing a subsidised wool price. Having regard to the circumstances of the wool industry alone, the Commission would be justified in refusing to grant any of the unions' claims.

Net farm income in 1970-71 was \$776m which in real terms was the worst year at least since World War II. (Although that figure has since been revised to \$874m it is still one of the lowest figures in recent years.) Although the Government has estimated an increase of 11 per cent in farm income in 1971-72 the industry will still be in difficulties. Wool prices had fallen from 44.67c per lb. in 1968-69 to 29.34c in 1970-71, rising to 31.7c in 1971-72 up to 10 March 1972. Gross value of production had declined to \$555m in 1970-71 despite an increase in flock numbers by 65 per cent since 1948-49 and an increase in the volume of wool produced of 86 per cent. During the same period total farm costs increased by about 360 per cent. If the total returns of woolgrowers shown in the Bureau of Agricultural Economics Survey of The Australian Sheep Industry for 1969-70 were adjusted according to alterations of the gross values of production for various commodities between 1969-70 and 1970-71 the estimated average net farm incomes for woolgrowers in the various zones in 1970-71 would be as follows:

Pastoral Zone—\$56
Wheat/Sheep Zone—\$2,354
High Rainfall Zone—\$3,804

The actual figures for the same zones in 1966-67 were \$9,366, \$8,501 and \$6,028 respectively and in 1969-70 \$5,715, \$5,271 and \$6,053 respectively.

During recent years the indebtedness of farmers generally and in particular woolgrowers had increased rapidly and in 1970-71 it represented nearly five times their estimated net income. In 1969-70 26.5 per cent of woolgrowers received an income of less than \$2,000 and 48.3 per cent less than \$4,000, before payment of interest on their indebtedness.

The industry was in a critical position and should not have its situation worsened by increases in wage costs. Although diversification of activities had been referred to as a solution to its problems this was a long and difficult process which could be aggravated by further cost increases. Although the wool subsidy scheme had provided some relief to woolgrowers it was insufficient to solve their situation as the guaranteed price was only 36c per lb. Although the price of wool had increased in recent months the average price this year up to 10 March 1972 was only 31.7c per lb. As against the very low price of wool, costs were increasing sharply and the industry needed a respite from further cost increases.

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Mr McCormick for the Commonwealth Public Service Board supported the submissions of the Commonwealth.

Victorian Government

Mr Dalton for the Victorian Government and a number of Government instrumentalities opposed all the unions' claims and as to the economic situation supported the submissions and material put forward by Mr Maddern. He discussed the statements made by the Commission in the 1969 National Wage case and submitted that it was implicit in that case that the Commission contemplated that the main part of wage increases would in future come via national wage increases and that other increases should not exhaust economic capacity. He also referred to the 1970 National Wage case and to recent cases in which the Commission had expressed concern regarding the growth of wage increases. He placed tabulations before the Commission showing movements in wages and salaries of selected classifications of employees in Victorian Government instrumentalities since 1959. It appears from a study of this material that prior to total wages being introduced in 1967 the larger amount of award wage increases were as a result of national economic cases either relating to basic wage or to margins. Since 1967 the reverse seems to have been the situation. Mr Dalton referred to the growing tendency, since 1967, for the granting in individual industries of substantial increases which subsequently flowed throughout the wage structure and he submitted that the indications were that those types of increases will continue. In particular, he drew attention to the Metal Industries Award increases in 1971 and their flow-on to other awards and also to the recent nine per cent increase given to white collar employees of the Government of Victoria. He submitted that the totality of movements which had occurred since the last National Wage case was so great, despite the warnings of the Commission, that the Commission must take them into account and that the available national capacity had in fact already been distributed. He finally submitted that if anything was left for distribution the Commission should consider whether there were groups of wage earners who had not received increases since the last National Wage case increase and who had some justification for beneficial treatment. Other than the above, any increases in wages and salaries were opposed.

GENERAL CONCLUSIONS

We should point out that in addition to the economic material presented to us at the hearing we have, since our decision was reserved, been considering the further material supplied to us by way of keeping up to date the Common Exhibit Book compiled by the Commonwealth Government. In some instances we have specifically referred to this material.

Economic Activity

It is evident that since the last National Wage case there has been a slowdown in the rate of economic growth and a slackening in demand. Unemployment has increased and job vacancies have declined fairly steeply. Although wool prices have increased to some extent during 1972 the average price of wool is still low and despite the wool subsidisation scheme the pastoral industry is still in a serious position. During the last eighteen months there have been rapid increases in the levels of award wages and average earnings. Prices have moved upwards sharply. The value of exports of manufactured goods has expanded and apart from the mineral and wool industries, exports generally have been more than maintained.

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There are indications that apart from minerals there will be a general upward trend of exports. The balance of payments situation is sound largely due to high capital inflow which has increased even more since the currency realignments of December last. As a result our overseas reserves are at the highest level ever—so high that a continuation of their present rate of growth could possibly even become an embarrassment.

Moves have been taken by the Commonwealth Government to stimulate demand and employment. On a seasonal basis the employment position failed to improve in February or March (the latest figures available). However it is too early as yet to estimate the overall effects of the Government's actions. While there are some doubts as to the future trend of the economy it is expected that there will be some restoration of the productivity growth from 1.4 per cent which was the increase for 1970-71 towards the longer term trend rate estimated by the Commonwealth to be about 2.6 per cent.

Inflation

Prices as measured by the Consumer Price Index increased by about 10 per cent between the September quarter 1970 and the March quarter 1972, a high rate of increase. In our opinion the increases in prices were due to a number of factors which include increases in wages and salaries, increases in indirect taxation and Government charges, increases in overseas prices and some carry-over from excess demand in earlier years.

As to our attitude regarding the relationship between wages and prices, we feel it pertinent to repeat what we said in the 1970 *National Wage case*. In that decision we stated:

All the economists referred to before us agree that increased wages might cause price increases though they had differing points of view as to the degree of price rise which would flow from a particular wage increase. We accept that an increase in award wages may have an influence on prices and the larger it is the larger the impact is likely to be. Apart from any affect on costs one reason for this is that an increase in award wages will itself generate demand. The overall state of the economy will also be relevant at any particular time. In any case increases in wages are only one factor which may cause an increase in prices. We have already expressed our view about the state of the economy. In our opinion the increase we propose to award will cause some increase in prices but will also result in an increase in real wages. The amount of such an increase in prices is impossible to predict, particularly if the employers' submission about the length of time lag in price increases is correct. In their view the effects of last year's national wage decision have not yet been fully worked out in prices.

In discussing price rises, Mr Willis submitted that in the past the Commission had been over-concerned with inflation. We do not agree with this comment. Nor do we think that the Commission has proceeded upon an assumption that wage rates approved by it are responsible alone for price movements. It could fairly be said that the Commission has never had any specific knowledge as to the precise economic impact of its decisions but it is not alone in this respect. In any event no figures seem to be available which would enable any precise measurement. What the Commission has sought to do on each occasion is to evaluate as well as it could the material presented and reach a conclusion as to what should be done to wage levels in its awards in all the circumstances.⁽¹⁾

Wage and Salary Increases

Award wage rates and salaries and also average weekly earnings have increased sharply since the 1970 National Wage case. The increases other than national wage increases were due to a considerable extent to the Metal Industries Interim Award case in July 1971 and the flow therefrom to other industries.

(1) 135 C.A.R. pp. 253, 254

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Latterly there have been substantial increases for white collar workers particularly as to Victorian Government employment and pressure exists for flow into other areas.

National Wage Cases

When total wages were introduced in 1967 it was obviously the hope of the Commission that the new procedure would bring about greater flexibility in wage assessment. In its decision in that case the Commission said:

In summary the adoption of the new procedures will enable the Commission to act flexibly, to ensure that economic gains are reflected in the whole wage each year, to give more reality to its award-making both in economic and work-value cases, and to give proper attention to the low wage earner. It will simplify the procedural difficulties in economic cases, which would not be entirely overcome by the unions' agreement to simultaneous hearings of basic wage and margins cases. It will eliminate the present awkward necessity for different benches contemporaneously dealing with different parts of the wage; it should simplify the rapid and proper spread of economic decisions throughout awards and determinations under this Act and the *Public Service Arbitration Act*; and it should put those who give and receive over-award payments in a better position to deal with their problems.⁽¹⁾

It was a necessary consequence of such a step that a position was created whereby two differently constituted sections of this tribunal, namely, a full bench as constituted in national wage cases and the Commission, however constituted, in industry cases, could both deal with the same total wage at different times. The national wage bench would deal with it annually; the other bench or benches whenever called upon to do so. Accordingly since 1967 it has been possible to have the same total wage altered in a short space of time by the Commission constituted in different ways and indeed this did occur more than once during the period now under consideration.

No doubt this was one of the factors the Commission had in mind when it made its observations in the 1969 *National Wage case*⁽²⁾ and stressed that general increases in total wages should only result from national wage cases after consideration of the overall economic situation.

Despite the statements by the Commission in the 1969 *National Wage case* and fears expressed by it in the 1970 *National Wage case*⁽³⁾ and since, there has been a strong general growth in federal award wages and salaries occurring outside national wage cases and in many instances apparently without regard to what was said in those cases. As indicated earlier herein pressures for a continuation of that type of change still exist. Whereas the Commission in 1967 was hopeful that the introduction of total wages and annual reviews would bring about greater flexibility and industrial justice a continuance of what has occurred may require a new approach.

In our opinion, in considering claims for a national wage increase it is essential in the current circumstances that when examining the economic situation, particularly the movements in prices and productivity and future trends in productivity, we should have regard to wage and salary movements which have occurred since the last national wage case. In our view to do otherwise would be to live in a partial vacuum. We reiterate that, while the system of national wage reviews continues, general increases in wages under federal awards should, in the main, emanate from national wage cases after examination of the economy and the effects which such an increase would have upon it. If, however, increases in wages, especially of a general nature, do occur we consider that the Commission may not be able to avoid taking them into account in deciding a national

⁽¹⁾ 118 C.A.R. 655 at p. 659⁽²⁾ 129 C.A.R. at p. 627⁽³⁾ 135 C.A.R. 244

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wage case. It was argued by Mr Willis that such an approach would be prejudicial to employees who had not received an 'industry' award increase during the period. However such a result appears to us to be inevitable if the experience of 1971 is repeated unless the fruits of national wage cases are restricted to those industries which have not been reviewed during the year.

In the 1970 National Wage case⁽¹⁾ the Commission said:

If we are not realistic in our attitude to wage fixation, then those who look to the Commission as their main source of wage increases, and there are many who do, will be treated inequitably, while more and more of those who are strong enough to do so will seek increases in the field. If in the present state of the economy and in the atmosphere of general affluence which exists in the community we failed to give a reasonable increase we would be failing in our duty. However, we wish to emphasise that the material before us both from the unions and the employers disclosed a state of affairs which if continued may inhibit the Commission in future national wage cases. This material shows union pressure for wage increases outside the Commission leading to concessions from employers, sometimes granted too easily, which favour the industrially strong.

Even if during the period under review there may have been some diminution of the rate of growth of overaward payments, the increases in award rates due to industry cases of the type referred to earlier have been extensive.

It is necessary to make observations about the relationship between the different methods of award wage alteration, because they explain in part why we have decided upon the increase we propose to award. As a result of our discussions questions have been raised amongst us which do not require answering in this case but may need consideration in future cases and may therefore have to be decided by future benches. Because of this we think we should record them for the benefit of the parties and others interested even though we do not answer them. As will be seen some of the queries go beyond the issues raised in this case.

The first one is what is the future of national wage cases? The current concept of annual national wage cases was introduced in 1967 when the Commission introduced the total wage. Amongst other things it then said:

'This new approach will ensure that under our awards wage and salary earners will annually have applied to them the increases for economic reasons which it is common ground they may normally expect and the increases will be applied to the whole wage instead of only to part of the wage as at present. We are sure that in work-value cases the fixation of total wages will bring to award-making both greater flexibility and greater reality.'⁽²⁾

In view of the movements of federal award rates outside national wage cases, a movement which has been referred to earlier, and which has influenced our decision on this occasion, should increases in award rates which have occurred between national wage cases always be taken into account irrespective of the reasons given for such increases? Is there any difference if no reasons have been given or if reasons cannot be ascertained because the elements of the increase cannot be isolated in the statistics? Or again are 'the fruits of national growth' to be 'distributed generally in national wage cases' (1970 *National Wage case*⁽³⁾) or are they going to be distributed in a series of individual industry cases or a combination of both? Is it feasible to award increases in national wage cases only in those industries which have not received increases by award since the last national wage case?

We have already pointed out that the concept of national wage cases came into being concurrently with total wage and we have already discussed what has happened since then. A question therefore may raise itself whether or not

⁽¹⁾ *Ibid.*, at p. 254

⁽²⁾ 118 C.A.R. 655 at p. 658

⁽³⁾ 135 C.A.R. at p. 258

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the two are so linked that total wage should be reconsidered if national wage cases are to be reconsidered. If the concept and purpose of national wage cases are to be looked at again does that put in issue the question of the concept and purpose of total wage?

Should an Increase be Awarded

We must now consider whether any increase at all should be awarded.

As indicated earlier there is no doubt in our minds that increases such as those granted in the Metal Industries Interim Award case last July and their flow to industry generally must be taken into account and to some extent pre-empt the ability of this bench to grant further increases. In our view they are a relevant part of the general economic picture. As to the economic situation, we have already pointed out that in our opinion the position appears not to be as sound as it appeared to be in 1970. Amongst other factors we have particularly in mind the uncertainty of future demand, the current inflationary pressures and the situation of the pastoral industry. On the other hand moves have been made to stimulate the economy and we have been told by the Commonwealth that productivity during the current financial year may be improving from about 1.4 per cent to 'towards the longer-term trend rate' of around 2.6 per cent.

In all the circumstances we have formed the conclusion that some increase at the present time would not be harmful to the economy.

Form of Increase

In 1969 and 1970 flat percentage increases were awarded except as to the minimum wage for adult males whereas in 1967 and 1968 flat money sums were awarded. However it was emphasised on each occasion that the way in which future national wage benches should alter total wages would remain a matter for each bench concerned.

As in former cases the blue collar workers have asked for a flat money increase. The two Public Service Associations have claimed flat percentage increases. The Association of Architects Engineers Surveyors and Draughtsmen of Australia has asked for a combination of a percentage increase and a money increase. No attitude has been expressed by the employers or the Public Service Board as any increase at all was completely opposed.

The white collar unions have argued that a percentage increase is the only method of preserving existing relativities and giving equal treatment to all sections of wage earners.

We are required by statute to 'act according to equity, good conscience and the substantial merits of the case'. During the period since the last National Wage case some sections of wage earners have received considerably larger increases, sometimes by way of a percentage increase, than others. Some received little or no increase. If we were to grant a percentage increase it would in effect further increase the increases already awarded and would relatively further disadvantage those who had obtained little or no gains during the period. Moreover we think that in the present circumstances it is fairer to express the increase in such a way as to give greater relief to those who need it most. We therefore consider that the fairest approach would be to grant a flat money increase and that is what we propose to do.

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We have considered the alternative proposal put forward by the State of Victoria namely, to grant an increase only to those who have not received one since the last National Wage case. Without commenting on the validity of this approach we do not think it would be feasible in the present case.

Amount of Increase

As indicated earlier we were urged by Mr Willis to grant a substantial increase and he submitted that if no increase at all or only a small increase were granted it would lead to further pressure outside national wage cases for increases in wages on an industry basis and to increased industrial unrest. We have said on previous occasions that an important part of our task is to endeavour to maintain good industrial relations. However, this does not mean that we should give an increase which we feel is outside economic capacity merely because we have been told that otherwise there might be industrial unrest. Also the national wage increase of 6 per cent in 1970 did not for long prevent industrial pressure for further increases in award and overaward payments.

Reference was made before us to the absence of any attempt to restrain the price of many elements in the economy other than wages and salaries. Whatever the merit of these submissions the Commission can only deal with the situation as it exists, dispensing industrial justice and equity so far as it can while paying due regard as always to the effect of its decisions on the economy.

Having regard to the general state of the economy, the prospects for the immediate future and the wage and price movements which have occurred since the last National Wage case of December 1970, the amount of the increase which we have decided upon other than for the minimum rate of adult males is \$2 per week for adult males and adult females. Male and female juniors and apprentices will receive proportionate increases.

On the figures supplied by the employers and confirmed by the Commonwealth that every 10 cents per week increase in the total wage represents an addition to the wage and salary bill of \$23.2m annually this increase represents an addition to that bill of \$464m annually. Although it may be mathematically possible to convert this flat increase to a percentage it is our intention that the increase should not be applied as a percentage.

Minimum Wage for Adult Males

When the minimum wage for adult males was first established in 1966 it was described as being designed 'to meet the circumstances of employees in the lowest classifications who are in receipt of award rates and no more' and it was on this basis too that the current rate of \$46.30 (for Melbourne) was fixed in 1970.⁽¹⁾ In assessing the rate on that occasion the Commission stated: 'We are prepared to assume, as the Commission did last year, that people on low incomes have special problems which we can to some extent alleviate', but it pointed out that it was 'an arbitral tribunal and not an administrative social welfare agency.'

The Commission was obviously in difficulty in assessing an appropriate amount as it had little information before it of the problems of the low wage earner, the average cost of living or the numbers involved. On the present occasion considerably more information was placed before us but it still fell far short of providing reliable answers to the many questions arising in the assessment of such a figure.

(1) 135 C.A.R. 256

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The hypothetical budget for a family of four produced by Mr Willis was subjected to many criticisms by Mr Maddern including the fact that it was based on a family unit. As Mr Maddern pointed out, no doubt some low wage earners are single men without dependants. However, in our view, that is far from the average situation and we should think in terms of a family unit which has not an abnormal incidence of ill health or other problems. Many other aspects including the method of compilation of the budget and the items included in it were justifiably criticised by Mr Maddern. On the other hand the amounts included in it for food were, in our opinion, minimal. This total, which for Melbourne was \$17.25 per week, when added to the rental of a Housing Commission home of \$10.35 for a person on the present minimum wage gives an amount of \$27.60 which means that only \$18.70 would remain for all other living requirements. This reasoning alone, incomplete though it might be, convinces us that the present minimum wage should be increased.

During the period under review the award rates for many of the lower rated classifications have been substantially increased. For example, under the Metal Industries Award they have all been increased by at least \$4.50 per week. The effect of our present decision in national wage will increase them by a further \$2 per week. It was estimated during the hearing that largely due to the wage increases which have occurred during the year the current minimum wage is relatively so low that it applies only to a very small number of employees. Although disproportionate increases were given to minimum wage in the 1969 and 1970 National Wage cases those increases have been largely overtaken by the wage increases which have taken place in various award classifications during the year. However the fact that the minimum wage has lost the relative level established in 1970 is not in itself a ground for increasing it again and it might be argued that the award increases which have occurred have lessened the necessity for any minimum wage at all. The prime intention in 1966 was that the minimum wage should provide some relief to the low wage earner whose award wage was obviously considered by the Commission as being too low at that time to provide, in the absence of overaward payments, an adequate standard of living. It does not automatically follow, now that award wages have been substantially increased, that the minimum wage should be increased by the same amount.

Having regard to the material which was placed before us on living costs, the increases in prices which have occurred since the last assessment and the movements which have occurred in award rates we have reached the conclusion that once again a disparate increase in the minimum wage for adult males is justified and we increase the present amounts by \$4.70 per week.

Mr Maddern has requested us to make it clear that the minimum wage is a social wage and not a foundational wage in any way and he asked us to alter the existing award provision so that it would not be used to calculate overtime etc. The relevant sub-clause in the award before us at present reads as follows:

'Where a minimum rate of pay as aforesaid is applicable to an employee for work in ordinary hours the same rate shall be applicable to the calculation of overtime and all other penalty rates, payments during sick leave and annual leave and for all other purposes of this award.'

Mr Maddern requested that it should be altered to read as follows:

'Where a minimum rate of pay as aforesaid is applicable to an employee for work in ordinary hours the same rate shall be applicable to payments during sick leave and annual leave.' (and possibly public holidays)

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We agree to some extent with Mr Maddern's argument that the minimum wage for adult males is a social concept and is merely the rate below which no adult male employee should be paid. It should not be regarded as a foundational wage in that it is not our intention that any classifications in an award should by reason of this decision be awarded the amount of the minimum wage or receive the increase we award for minimum wage. As the Commission said in the 1969 case and repeated in the 1970 case:

'We think it is necessary to add that it is not our intention that any total wage other than a minimum wage for adult males which at present appears in an award should be increased because of the increase we have now granted in minimum wages. When the minimum wage was introduced in 1966 it was described as being "designed to meet the circumstances of employees in the lowest classifications who are in receipt of award rates and no more. It is not intended to affect the wage of any employee who is already receiving the prescribed minimum through overaward payments". The new amounts of minimum wages have been arrived at with the same intention.'⁽¹⁾

Although the present clause extends to the calculation of overtime and all other penalty rates it quite clearly carries out the intention of the Commission as expressed in 1966⁽²⁾ and in our opinion no adequate reason was put forward in these proceedings for altering it.

Mr Maddern also drew attention to the fact that the following preamble was inserted in the relevant clause in the Metal Trades Award following the 1967 case, viz.:

The provision of this clause shall not apply to any employee who in any week for the working of ordinary hours receives payment in excess of the relevant minimum wage through overaward payments.

The provision now appears in a number of awards but others, including the Agricultural Implement Making Award do not contain it. In the interests of uniformity we favour the inclusion of the provision and will vary the Agricultural Implement Making Award accordingly.

Quarterly Adjustment of the Minimum Wage for Adult Males

Quarterly adjustment of the minimum wage according to movements in the Consumer Price Index was sought by the unions. Consistently with the views of the Commission as to the old basic wage we prefer to keep movements of the minimum wage under the Commission's control and accordingly we reject this claim.

Pastoral Industry

Because of the special history of the provisions in the Pastoral Industry Award, because that award is not before us and because we have not heard The Australian Workers' Union we feel that we should make the observation that neither our decision regarding wages generally nor that relating to the minimum wage should automatically apply to that industry. Whether in fact they are made to apply will be a matter for the Commission however constituted which has to deal with them when an application is made by The Australian Workers' Union.

FORM OF ORDERS

The Commission constituted by Moore, Williams and Aird JJ. and Mr Senior Commissioner Taylor makes the following orders:

(¹) *Ibid.* (²) 115 C.A.R. 93 at p. 103

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[*The Commission*]*Agricultural Implement Making Award 1936 as varied*

The rates for adult males in clause 3 of Part I of the Agricultural Implement Making Award, other than the extra daily rates in classification 100 and the additional rate of \$1.60 in classification 103, will be increased by \$2 per week.

Sub-clause (a) of clause 3A—Minimum Wage Adult Males—of Part I will be deleted and the following substituted therefor:

The provisions of this clause shall not apply to any employee who in any week for the working of ordinary hours receives payment in excess of the relevant minimum wage through overaward payments.

- (a) Notwithstanding the provisions of clause 3 of this award, no adult male employee shall be paid at less than the undermentioned rates as ordinary rates of pay in respect of the ordinary hours of work prescribed by this award.

	Per week
	\$
Victoria	51.00
South Australia	50.60

In view of the terms of the award no variations are required for females, juniors or apprentices as they will receive the prescribed percentages of the new adult male rates.

Metal Industry (Interim) Award 1971 as varied

The rates for adult employees in classifications (a) (i), (a) (iii), (a) (v) and (b) (i) of clause 4 of Part II of the Metal Industry (Interim) Award 1971 will be increased by \$2 per week.

In view of the terms of the award no variations are required for females or trainees as they will receive the prescribed percentages of the new adult male rates.

Date of Operation

The variations in both matters will come into force as from the beginning of the first pay period to commence on or after 19 May 1972 and will remain in force until 19 February 1973.

Public Service Determinations

The Commission constituted by Moore, Williams and Aird *JJ.* and Mr Public Service Arbitrator Chambers makes the following determination to operate from the beginning of the first pay period to commence on or after 19 May 1972.

The rates of pay for adults appearing in clause 1 of Determinations Nos 19 of 1961 and 216 of 1970 and in Schedules 'A' and 'B' of Determination No. 10 of 1929 will be increased by \$104.

In view of the terms of Determination No. 10 of 1929 no variation is necessary in respect of juniors. They will receive the prescribed percentages of the new appropriate adult rates.

Settlement of Orders

The form of the orders* in each case will be settled by the Registrar with recourse to a member of the Bench concerned.

* The orders are published separately, see *Supra* 284 and 52 C.P.S.A.R. 372.

IN THE COMMONWEALTH CONCILIATION AND ARBITRATION
COMMISSION

In the matter of the *Conciliation and Arbitration Act 1904-1970*

and of

THE SOUTH AUSTRALIAN CHAMBER OF MANUFACTURES INC. AND
THE MASTER BUILDERS ASSOCIATION OF SOUTH AUSTRALIA INC.

(C No. 1181 of 1971)

and

SOUTH AUSTRALIAN EMPLOYERS FEDERATION INC.

(C No. 1182 of 1971)

and

MASTER BUILDERS' ASSOCIATION OF VICTORIA

(C No. 1614 of 1971)

and

THE VICTORIAN CHAMBER OF MANUFACTURES

(C No. 1652 of 1971)

and

THE VICTORIAN EMPLOYERS FEDERATION

(C No. 1653 of 1971)

Claimants

v.

THE BUILDING WORKERS' INDUSTRIAL UNION OF AUSTRALIA
AND THE AMALGAMATED SOCIETY OF CARPENTERS AND
JOINERS OF AUSTRALIA

Respondents

and of

THE CARPENTERS AND JOINERS AWARD, 1967

(C Nos 1553 and 1720 of 1965)

Correction of order—Wage rates—Order corrected.

On 28 September 1971 the Commonwealth Conciliation and Arbitration Commission (Moore, Williams and Aird JJ., Deputy Presidents, Senior Commissioner Taylor and Commissioner Watson) made an order⁽¹⁾ varying the above award dated 5 January 1967 as reprinted on 7 July 1970.⁽²⁾

On 8 May 1972, the Commission (Moore, Williams and Aird JJ., Deputy Presidents, Senior Commissioner Taylor and Commissioner Watson) made the following order correcting the said order and award:

Order and direct:

That the said order and award be and the same are hereby corrected in manner following that is to say:

I By inserting after item VII the following new item:

VIII By deleting from Clause 1 in the Appendix to the Award the amounts of \$60.20, \$60.80, \$59.70, \$60.30, \$61.00 and \$60.50 and inserting in lieu thereof the amounts of \$66.20, \$66.80, \$65.70, \$66.30, \$67.00 and \$66.50

II By renumbering item VIII to read item IX.

1972,
MELBOURNE,
May 8.

Moore J.,
Williams J.,
Aird J.,
Senr Commr
Taylor,
Commr
Watson.

⁽¹⁾ 140 C.A.R. 397

⁽²⁾ 132 C.A.R. 833