

IN THE COMMONWEALTH CONCILIATION AND ARBITRATION
COMMISSION

In the matter of the *Conciliation and Arbitration Act 1904-1972*

and of

the *Public Service Arbitration Act 1920-1972*

and of

NATIONAL WAGE CASE, 1972-1973

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. 2106 of 1972)

and of

**ADMINISTRATIVE AND CLERICAL OFFICERS' ASSOCIATION,
COMMONWEALTH PUBLIC SERVICE**

Claimant

v.

THE POSTMASTER-GENERAL and others

Respondents

(C No. 2202 of 1972)

and of

THE SALARIED STAFF (QANTAS AIRWAYS LIMITED) AWARD, 1970

(C No. 1708 of 1970)

(C No. 2207 of 1972)

Variation of awards and determination—Rates of pay—Form of increase—Minimum wage for adult male employees—Consideration of uniformity thereof—Examination of national economy—Consideration of inflation—Effect of wage rates increased by agreement—Commonwealth Government's role of arbiter of economic policy—Decision issued.

On 14 and 20 July, 30 August and 10 October 1972 applications were filed on behalf of The Australian Boot Trade Employees Federation (C No. 585 of 1972), the Federated Clerks Union of Australia (C Nos 1998 and 1999 of 1972), The Sheet Metal Working Agricultural Implement and Stove Making Industrial Union of Australia and others (C No. 2106 of 1972) and the Australasian Transport Officers Federation (C No. 2207 of 1972) for orders varying certain awards.

On 18 July and 13 September 1972 applications were lodged on behalf of the Commonwealth Telephone and Phonogram Officers Association (C No. 2274 of 1972) and the Administrative and Clerical Officers Association, Commonwealth Public Service (C No. 2202 of 1972) for orders varying determinations Nos 13 of 1930 and 104 of 1966.

Application C No. 585 of 1972 came on for hearing before the Commonwealth Conciliation and Arbitration Commission (Deputy President Chambers) in Melbourne on 8 September 1972 and, as the question arose whether the matter was one in relation to which section 31 (1) (d) of the *Conciliation and Arbitration Act 1904-1972* applies, the Commission as so constituted, pursuant to section

1973.
MELBOURNE,
March 13-16,
20, 22, 27-29;
April 3, 4;
May 8.
—
Moore J.,
Robinson J.,
Coldham J.,
Arb. Taylor,
Commr Brack.

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31 (3) of the said Act, referred the question to the Acting President, who formed the opinion that that matter, and later C Nos 1998 and 1999 of 1972, were such matters.

Matters C Nos 2202 and 2274 of 1972 were listed before Public Service Arbitrator Taylor on 22 September and 19 October 1972, respectively. In each matter, an application being made that they were of such importance that they should, in the public interest, be dealt with by the Commission constituted as provided by section 15A (1) of the Public Service Arbitration Act 1904-1972, namely by presidential members of the Commission nominated by the President to the number of at least two and the Arbitrator, the Arbitrator consulted with the Acting President. The Acting President directed that the matters should be so dealt with.

Matters C Nos 585, 1998, 1999, 2106, 2202 and 2207 of 1972 were listed before the Commission (Moore *J.*, Acting President, Robinson and Coldham *JJ.*, Deputy Presidents, Public Service Arbitrator Taylor and Commissioner Brack) in Melbourne on 12 October 1972, on which day pursuant to section 44A (2) of the *Conciliation and Arbitration Act 1904-1972* the Acting President, being of the opinion that a question is common to two or more of the said matters and that he considered that it was desirable to do so for the purpose of facilitating the hearing and determination of those matters directed that the said matters would be heard by the Commission as so constituted. On 24 October 1972 the hearing of C No. 2274 of 1972 was joined to the other matters and the hearing proceeded accordingly.

On 15 December 1972 the Commission (Moore *J.*, Acting President, Robinson and Coldham *JJ.*, Deputy Presidents, Public Service Arbitrator Taylor and Commissioner Brack) issued a decision⁽¹⁾ in connection with the said matters and adjourned until 13 March 1973 matter C No. 2106 of 1972 (except that part claiming that adult female be paid the same minimum wages as adult males) and matters C Nos 2202 and 2207 of 1972.

Matters C Nos 2106, 2202 and 2207 of 1972 again came on for hearing before the Commission (Moore *J.*, Acting President, Robinson and Coldham *JJ.*, Deputy Presidents, Public Service Arbitrator Taylor and Commissioner Brack) in Melbourne on 13 March 1973.

- R. A. Jolly* with *T. Sullivan* for the Federated Clerks Union of Australia and; with *J. Heffernan* for The Amalgamated Engineering Union and others; and with *L. Lamprati* for The Federated Ironworkers Association of Australia; and with *T. L. Addison* for the Australasian Society of Engineers; and with *G. E. Hayes* for The Australian Boot Trade Employees Federation.
- W. Richardson* and *R. D. Williams* for the Australasian Transport Officers Federation.
- P. Munro* and *L. Ayers* for the Administrative and Clerical Officers' Association, Commonwealth Public Service.
- P. Munro* and *J. Cousins* for the Commonwealth Telephone and Phonogram Officers Association.
- B. J. Maddern*, of counsel, for The Victorian Chamber of Manufactures and others
- J. D. Keary* for the Australian National Airlines Commission (T.A.A.).
- A. Marshall* for East-West Airlines Limited and with *J. Hyman* for the Societe Internationale de Telecommunications Aeronautiques.

(1) 147 C.A.R. 172

- S. W. Moon* for Qantas Airways Limited and others.
- P. A. E. McCormick* and *T. W. Orange* with *V. Maloney* for the Public Service Board and with *B. R. Lowe* for the Postmaster-General.
- R. J. Worsley* for Ansett Airlines of Australia and others.
- J. B. Sweeney*, Q.C., and *M. Gaudron*, of counsel for the Attorney-General of the Commonwealth of Australia (intervening).
- J. L. Berry* for Her Majesty the Queen in the right of the State of Tasmania (intervening).
- R. P. Dalton* and *I. Douglas*, of counsel, for Her Majesty the Queen in the right of the State of Victoria and others (intervening).
- J. Sanders* for the Australian Council of Salaried and Professional Associations (intervening).
- P. Munro* for the Council of Commonwealth Public Service Organisations (intervening).
- H. D. Bear* and *P. Barnes* for The Association of Professional Engineers, Australia (intervening).
- W. F. Cox* and *W. L. Milford* for The Professional Officers' Association Commonwealth Public Service (intervening).
- E. J. Nicholls* and *J. R. Andrews* for the Australian Public Service Federation (intervening).
- J. H. Wooten*, Q.C., and *B. E. Hill*, of counsel, for The Angliss Group and others (intervening).
- I. E. Douglas*, of counsel, for Australian and New Zealand Banking Group Limited and others (intervening).
- G. Brown* for the National Council of Women (intervening).
- J. Curlewis* for the Union of Australian Women (intervening).
- Z. D'Aprano* for the Women's Liberation Movement (intervening).

On 8 May 1973 the following decision was issued by the Commission:

By decision of 15 December 1972⁽¹⁾ further consideration of claims concerned with the male minimum wage and with the general level of award wages was adjourned to 13 March 1973.

At the adjourned hearing additional argument and material were submitted. The outstanding claims, as amended can be described in this way:

Agricultural Implement Making Award

Application by a number of Metal Trades Unions to increase adult rates by \$11.50 per week, to prescribe a minimum wage for adult males of \$65 per week and to provide for automatic quarterly adjustment of the minimum wage according to changes in the Consumer Price Index.

Salaried Staff (Qantas Airways Limited) Award

Application by the Australasian Transport Officers Federation to increase adult rates by ten per cent plus \$2.90.

Determination No. 104 of 1966

Application by the Administrative and Clerical Officers' Association, Commonwealth Public Service to increase all rates of pay by 7.5 per cent.

(1) *Ibid*

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The flat rate approach was supported by the Australian Council of Trade Unions, the Commonwealth Government and the Commonwealth Public Service Board.

A combined flat rate and percentage increase was supported by the Australian Council of Salaried and Professional Associations.

The percentage only approach was supported by the Council of Commonwealth Public Service Organisations, the Council of Professional Associations and the Australian Public Service Federation.

The application to increase the male minimum wage to \$65 received the general support of all organisations representing employees, the Commonwealth Government and the Commonwealth Public Service Board.

Private employers opposed any increase in total wage or in minimum wage. However the Victorian Government, while agreeing with the employers as to total wage, conceded that some increase was warranted in the minimum wage without committing itself to any specific sum.

The present proceedings require us to consider two broad issues:

1. Should the general level of award wages be increased; if so, what should be the form and quantum.
2. Should male minimum wages be increased; if so, what should be the quantum and should the level be automatically adjusted for price movement.

NATIONAL WAGE

During the course of national wage proceedings it is customary for the attention of the parties, interveners and the Commission to be directed principally to the circumstances and quantum of the last national wage assessment and the developments which have occurred since that time. Excursions into the past beyond the last assessment are generally confined to statistical exercises which seek to show that existing wage levels are too low.

The practice of using the last national wage assessment as the focal point around which current claims are argued and evaluated is perhaps no more than commonsense. But it is a practice which would be largely unknown to those unassociated with the procedures of the Commission.

We believe national wage claims which are based on rates fixed some twenty years ago and which are treated in argument as a matter of ambit, can give rise to false expectations and these false expectations are likely to create industrial discontent, either before or during the hearing or following the decision on the claims. In these particular proceedings, Mr Jolly for the A.C.T.U., conceded that the \$11.50 claim was beyond the expectation of the trade union movement but contended that a substantial wage increase was anticipated which, properly assessed, would be about \$5 a week or less than half the amount claimed.

We do not wish to inhibit parties in the formulation of their claims or in their method of presentation. However, in national wage cases, the claims have maximum exposure and consideration might well be given to sharing with the community, the frankness expressed by the parties within the Commission.

THE ECONOMY

Although three sets of submissions on the economy were put to us—on behalf of the A.C.T.U., private employers and the Commonwealth—each tended to confirm the other, except as to certain isolated areas where the differences were of emphasis and degree.

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Signs abound that the economy has entered a recovery stage after an extended period of recession. The level of registered unemployed which, seasonally adjusted, peaked at 2.14 per cent of the labour force in August 1972, fell to 1.53 per cent in March 1973. Areas of demand represented by retail sales, motor vehicle sales, dwelling commencements and approvals and Federal and State public authority expenditure, have shown significant improvement.

On the other hand, private business fixed investment has not, to date, shared the rate of recovery which is reflected in the other areas of demand. Various attempts are made to analyse the investment expectations of private employers. The Bank of New South Wales and Associated Chamber of Manufactures of Australia have issued the results of their quarterly survey of manufacturers conducted in March 1973. The Commonwealth Statistician also released in March anticipated new capital expenditure by private businesses for the six months to June 1973 estimated at the beginning of the calendar year. Finally, the Department of Secondary Industry has recently issued its first bulletin in a series entitled 'Survey of Manufacturing Activity', which reflects the results of information obtained in January and February 1973.

The results shown by the three surveys are by no means consistent and it is difficult, even as a value judgment, to assess the current position and prospects for this indicator of economic activity. We note that the survey taken latest in time, namely that conducted by the Bank of New South Wales/A.C.M.A., seems to show the most optimistic picture and it relates to anticipated expenditure for the next twelve months. However, the survey covers only manufacturing activities. In the figures released by the Commonwealth Statistician the 'manufacturing' sector represents only approximately one-third of total new capital expenditure. The wider sample of 'all industries' shows that on the separately recorded results for investment in new capital equipment (other than building and structures), a reduction of two per cent for the six months to June in the seasonally adjusted series is anticipated.

The time between the initial resolution to invest further in the private field of capital investment and the final capital outlay occupies several quarters and this process of decision is qualified by factors relating to capacity utilisation of capital equipment presently producing goods. The Commonwealth acknowledged that an unequivocal answer could not be given to the question when 'the strong surge in other areas of demand' will 'induce a turn around in the trend in private business investment' but recognised that this sector of the economy is 'a lagging indicator and the question of its recovery is one of timing'. Moreover the survey of the Department of Secondary Industry, which was the result of a collation of material supplied by 662 firms from eight industry groups, refers to factors qualifying private industry decisions in this sector. The survey concludes with the observation that 'industry is still working at less than normal capacity, and the forecasts of capital expenditures suggest that, in general, manufacturers are adopting a cautious attitude towards further increases in capacity at this stage.'

Although the international monetary situation remains somewhat uncertain and the ultimate effects of the currency alignments which occurred in December and February will have to await the passage of time, it is clear that our balance of payments is currently strong and indications are that it will remain so.

The improved rural situation is dominated by the improvement in wool prices. Both the value of rural production and farm incomes are expected to rise significantly in 1972/73. While the outlook at this stage looks promising, dramatic fluctuations seem to be endemic to the industry and to use the Commonwealth's words 'it does not necessarily follow that the long-term problem of rural industries has been eliminated.'

The new policies introduced by the present Government in many areas will add to the expansionary forces just discussed. The budget deficit for 1972/73 has been revised upwards by some \$328 million to \$958 million and further upward revision seems likely.

This brings us to the issue of inflation. A number of new authorities were relied on and wide ranging discussion took place on the causes of inflation currently applying to modern industrialised economies. In this connexion, we agree with the Commonwealth that 'generalised arguments about the causes of inflation are rarely fruitful'. We would add that new explanations are made with the benefit of the hindsight allowed by leisurely examination of past statistics. These new explanations may, themselves, be found wanting if it were possible to apply them to the current mix of influences operating in the economy. Not only are definite conclusions on the present causes of inflation unavailable but even retrospective analysis can lead to debatable results.

In particular, it seems a fruitless exercise to attempt allocation of priorities currently applying between such causal factors as wage movements, international influences and the state of domestic demand. Undoubtedly, each can and does play its part with a host of other interacting factors in determining price changes at any given time. We were referred by Mr Jolly to a paper by Professor Hancock delivered in 1971, entitled 'Recent Developments in Australian Wage Policy'. The paper expressed the problems associated with causal analysis of price movements, in this way—'At present, we cannot say more than this. There are forces in our economy, other than wage increases, which cause prices to rise. There are others which tend to push them down.' With this we agree but we also point out that nothing which Professor Hancock said is inconsistent with the simple proposition acknowledged by the Commonwealth that 'the vulnerability of unit costs to increases in wages is self-evident'. In this connexion we express some surprise that there was minimal discussion on possible increases in unit costs brought about by improvements in non-wage benefits.

As to increases in award wages which have occurred since the last national wage fixation in May 1972, the latest figures available for Commonwealth awards, January 1973, show a gain of approximately three percent. This is a markedly lower rate of increase in award rates than has applied on an annual basis in recent years. However, as Mr Maddern has pointed out, there are a number of influential awards where further increases are to apply during the next few months whatever the outcome of these proceedings.

Reference was made to the question whether participating parties to agreements such as the Metal Trades \$3 (October 1972) and \$3 (June 1973) anticipated that a national wage increase would be superimposed on the agreed rates. This issue raises in a different form the questions posed in the 1971/72 National Wage Case Reasons for Decision. Although we appreciate the thoughtful submissions of the parties and have been assisted by their presentation, they have only served to convince us that, in present circumstances, adopting some other approach to national wage than the customary one is impractical. We emphasise 'in present circumstances' as our finding of impracticability does not solve the problem of what has been described as a three tiered wage system whereby the overall movements may come from national wage cases, industry cases and overaward payments. It is a problem which may be insoluble except by some consensus of view reached between the interested parties either inside or outside national wage proceedings. In a national wage case the parties are basically concerned with supporting or opposing specific claims. In the proceedings before us, that opposition did not extend to an argument that national distribution of economic increases should cease as a matter of principle, from and including the present case.

We believe that these circumstances, taken in conjunction with a lower than normal increase in Commonwealth award rates and the anticipated better than normal national productivity gain in the recovery stage of the economic cycle, warrant a community expectation of a significant increase by way of national wage decision.

We have noted the uncertainty surrounding anticipated figures for capital expenditure by private businesses. If inadequate growth in private investment persists on a longer term basis, it would be a matter of serious national concern. However, we do not consider lack of clarity alone can inhibit the Commission from awarding an increase that would be otherwise warranted. In the proceedings, the Commonwealth emphasised its role as the arbiter of economic policy and stated that the Government considers it has the responsibility to take account of the effects of the Commission's decision. In this connexion, it is also appropriate to refer to the following submission. 'It is the Commonwealth's opinion that there is scope in the capacity and the flexibility of the Australian economy for an appreciable increase in wages without undesirable inflationary consequences'. We have given that statement due weight in arriving at our decision.

FORM OF INCREASE

The views of the parties have been set out earlier in our decision. We should perhaps add that Mr Jolly did discuss the alternative of a combined increase comprising a flat amount for productivity gains and a percentage increase for price movements. As he put it, 'this approach would ensure that all workers would share equally in productivity gains and the value of real wage differences would be left unchanged.'

Despite suggestions to the contrary, we are unconvinced that the social and industrial climate regards wage relativities as unimportant on a long term basis. Certainly there is a substantial body of employee opinion which does not hold that view and wage applications which come before the Commission do not eschew maintenance of relativities. As will be seen in due course, the degree of acceptance of increases weighted in favour of lower paid workers, will be tested by the substantial flat money increase which we intend to award in minimum wage. We consider it would be unwise to extend this form of increase throughout the award wage structure. However, we consider the present circumstances warrant a combination increase. We make it clear that we have not adopted any mathematical or conceptual formula of productivity and prices but have exercised broad judgment consistent with our evaluation of the social, industrial and economic consequences of our actions. The combination increase will consist of two percent of current award rates, to which will be added \$2.50 as a flat amount and will apply to adult male rates and adult female rates. Male and female juniors and apprentices will receive proportionate increases.

This will result in employees whose award wage is now \$70 per week receiving an award increase of \$3.90 per week, those on \$80 per week an award increase of \$4.10 per week and so on. On figures supplied to us by the Commonwealth the amounts which we award would result in an increase of not less than \$850 million to the current wage and salary bill.

MINIMUM WAGE

In addition to arguments on quantum, discussion took place on the conceptual basis which should apply to minimum wage fixation.

The minimum wage does not currently apply unless and until the award rate, together with any overaward payment, is less than the prescribed minimum level. Where the minimum wage attaches, penalty payments are calculated on such rate.

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An alternative approach whereby the minimum wage level would be inclusive of penalty payments was opposed by the A.C.T.U. and the Commonwealth and received only qualified support from private employers.

An intermediate step where provisions is made for calculation of penalty payments on the award rate has been suggested and we propose to adopt that approach as being closer to the concept of minimum wage argued for by the applicants. The Commonwealth tendered a draft provision and this has been used as the basis of the amendment which will be contained in the variation order.

This reference leads into a general discussion of the gap between the conceptual arguments of those supporting a \$65 minimum wage and the claim itself. Although the Agricultural Implement Making Award is the vehicle for the A.C.T.U. claim, the test case nature of the proceedings is beyond dispute, so it is appropriate to refer to a more representative award. The following minimum wage rates apply under the Metal Trades Award:

| | | | | | | \$ |
|-----------------|----|----|----|----|----|-------|
| Victoria | .. | .. | .. | .. | .. | 51.00 |
| New South Wales | .. | .. | .. | .. | .. | 51.80 |
| Queensland | .. | .. | .. | .. | .. | 49.30 |
| South Australia | .. | .. | .. | .. | .. | 50.60 |
| Tasmania | .. | .. | .. | .. | .. | 51.70 |

Slight variations occur in specified areas in some of the States.

In broad terms, it might be said the Commission has been asked to implement a uniform level of minimum wage on alternate bases:

1. Current standard of needs for the average family unit of man, wife and two children.
2. Updating of some earlier fixation by the Commission with movements in average earnings so that the minimum wage reflects improvements enjoyed by the community in general.

Whereas the family needs approach requires some sort of budget, updating by average earnings is a simple mathematical exercise. There is, of course, an overlap between the two bases but both exercises must allow conceptually for widely differing results as between States. For instance, why should a Victorian family needs standard be applied to South Australia if the household budgets put before us show a difference of some \$7 a week. Equally, why should the Queensland minimum wage be altered because of movements in ordinary time earnings in New South Wales. In October of each year the Commonwealth Statistician conducts a 'Survey of Weekly Earnings and Hours'. If one uses the October 1966 survey and the October 1972 survey to update the 1966 minimum wages by the percentage movement of ordinary time earnings in each State, the range of results would be from \$53.47 for Queensland to \$59.14 for New South Wales. It is therefore conceptually inconsistent to use a national aggregated figure on either the basis of needs or the basis of upgrading of standards.

No party or intervener argued why existing differentials should be eliminated. It would be possible, of course, to face up to the conceptual inconsistency and argue that although a uniform minimum wage would create differential benefits and burdens between States, nevertheless, for stated reasons, a uniform minimum wage should be applied throughout Australia. But this was not done.

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Nor do we believe that State Governments appreciate elimination of existing differentials to be a live issue in these proceedings. As can be seen, the widest gap in the differentials is \$2.50 per week between Queensland and New South Wales. We will not eliminate differentials of this order without a word of argument for or against. Whatever are the inadequacies of the existing differentials, conceptual or in money terms, their elimination has implications. The implications go beyond added costs imposed on some States to economic, social and industrial issues.

There seems to have been a tendency to treat the Commission's repeated reference to lack of adequate data in relation to minimum wage as a convenient excuse for suggesting that it acted conservatively. Perhaps this present discussion will serve to assist the parties in the preparation of future claims and arguments.

We note with interest the Commonwealth's intention to conduct a survey of household expenditure, that it will be carried out by the Commonwealth Statistician and that preparations are in train. It appears that surveys conducted in connexion with the Henderson Enquiry, although oriented towards the question of poverty, may also be of some relevance.

When adequate data is available, it should be possible:

1. To allow those concerned the opportunity of selecting a firm basis upon which to have the minimum wage determined.
2. To allow decisions to be taken on whether existing differentials should be eliminated or new differentials established.
3. To allow proper notice of the claim, its basis and effect to be given to governments and other interested groups.
4. To allow those wishing to oppose change, whether conceptual or quantum, to understand the basis of change and evaluate available alternatives.
5. To allow the Commission to determine appropriate criteria upon proper material and argument.

We can now examine the claim in the form of an increase of \$14 for Victoria which currently has a general minimum wage of \$51.

Illustrative of the difficulties of evaluation is the range of results thrown up by the material relied on by the A.C.T.U. They span a gap of more than \$20 from \$56.00 to \$76.68. The former figure is an estimated updating of the Henderson poverty line. The latter takes the result of a 1968 thesis which examines low income families with four or more children in New South Wales and translates that result to a national family unit with two children. The weekly amount is then adjusted by the percentage movement in the Australian figure for average earnings since 1968.

On this occasion and in relation to minimum wage, the Commonwealth has supported the granting of the union claim. Mention should perhaps again be made of the view consistently held by this tribunal that governmental submissions are considered on their intrinsic merits. The Commonwealth did not suggest otherwise. The Commonwealth also commented that in reaching its decisions, the Commission would have 'proper regard for the realities of industrial relations'.

The history of minimum wage since 1966 has shown that subject to some notable exceptions, the minimum wage has not been used as a foundation rate to which is attached any overaward payments. Part of its success in this regard may

be due to the gradualism which has accompanied the improvement in the minimum wage standard. As a union exhibit shows, the present six capitals minimum wage when granted in May 1972 was 13.5 per cent higher in real terms or standard, than it was in 1966.

We have decided to increase the minimum wage substantially for reasons we will explain. But it should be noted that we have been influenced in arriving at this decision by the statement made on behalf of the A.C.T.U. and more directly, the A.C.T.U. agreement that an explanatory provision drafted by the Commonwealth be inserted in minimum wage clauses. The provision, as drafted, is in the following terms:

'The purpose of fixing a minimum wage of \$ is to ensure to each adult male worker a minimum wage of \$ for a week's work performed in ordinary hours. Its fixation at this amount does not give any reason for any change in rates of pay in this award now below or now above'.

A provision substantially in these terms will be incorporated in our order. We would add this. Any work value application which seeks to use the minimum wage level as a reason for change should be scrutinised with great care. The minimum wage levels have been deliberately determined without regard to work value and are deliberately designed to operate in conjunction with lower level award rates. Our decision to increase minimum wage levels by a substantial amount has been made on that basis.

In arriving at our decision, we have paid particular attention to the level of rates currently applying throughout the awards of the Commission. The minimum wage, if it is to remain, must have an effective operation. Making this examination and evaluation is consistent with Mr Jolly's plea that the minimum wage should be reviewed in the light of changes in community wage standards, although he would use the average weekly earnings series.

The Commonwealth contributed an exercise which sought to update the 1966 minimum wage level by movements in average ordinary time earnings. The basic material came from the annual 'Survey of Weekly Earnings and Hours' already referred to, which separates earnings for males, females, juniors, ordinary time and overtime, thereby providing a useful and reasonably reliable guide to community wage movements. However, the basic material was adjusted by the average weekly earnings series which makes none of those separations and is, therefore, susceptible to aggregate changes which may not reflect actual movements in male ordinary time rates.

The more important qualification to the use of such exercises is the conceptual difficulty which we have already discussed, where changes in community standards, measured by movements in either series, show significant differences between States. This difficulty is not found in an examination of the level of current award rates, as the differences between rates for the same classifications will generally coincide with the differences between minimum wages in the various States.

It is evident of course, that widespread increases have yet to operate and that award wages generally will increase as a result of this decision.

We consider the fixation of a minimum wage for Victoria (other than Yallourn) of \$60 will bring a proper balance between the claim of the unions and the realities of industrial relations. This is an increase of \$9 which will be applied to all other minimum wages.

It should be pointed out that with this decision the purchasing power of the minimum wage has increased by approximately one-third since its introduction in 1966.

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The claim for quarterly adjustment of the minimum wage is rejected. We reiterate what has been said in these cases before that the Commission prefers to keep movements in the minimum wage under its control. We believe the flexibility which this allows has contributed to the improvement in standard which has been achieved. There seems to be some assumption that the minimum wage is fixed at a level which makes no allowance for relevant changes in circumstances during the course of the normal twelve months interval between decisions. This assumption, if made, is incorrect.

Finally we should add that some of the conceptual problems attached to movements in minimum wage which we have already discussed have equal application to suggestions of automatic price adjustment.

FORM OF ORDERS

The Commission constituted by Moore J., Acting President, Robinson and Coldham JJ., and Mr Commissioner Brack, makes the following orders.

AGRICULTURAL IMPLEMENT MAKING AWARD 1936 AS VARIED

The rates for adult males in clause 3 of Part I of the award other than the extra daily rates in classification 84 will be increased by an amount equal to two percent of the existing rate calculated to the nearest ten cents, less than five cents to go to the lower amount and five cents or more to go to the higher amount, plus \$2.50 per week.

Clause 3A—Minimum Wage—Adult Males—of Part I will be deleted and the following substituted therefor:

'3A—MINIMUM WAGE—ADULT MALES

(a) Notwithstanding the provisions of clause 3 of this award an adult male employee, whose weekly wage rate payable pursuant to the said clause 3 for ordinary hours of work together with overaward payments is less than the undermentioned amount appropriate to his geographical location, shall be paid in addition an allowance of such amount as will bring his rate of pay for such hours to the said appropriate amount for that week.

| | Per week |
|-------------------------|----------|
| Victoria | \$60.00 |
| South Australia | \$59.60 |

(b) Where such an employee has been absent from duty in a week in circumstances entitling his employer to deduct payment for the time of non-attendance he shall be paid for the ordinary hours worked during such week at the rate of the said appropriate amount per week.

(c) Where an allowance as prescribed by sub-clause (a) hereof is payable to an employee, payments during paid leave and for holidays prescribed by clause 10 of this award shall be calculated at the rate of the said appropriate amount per week.

(d) Calculations for overtime, penalty rates, shift work and other payments under the award shall be made at the rate prescribed by clause 3 of this award for the classification in which the employee is employed.

Note—The purpose of fixing the minimum wage at the amounts above set out is to ensure to each adult male worker a minimum wage for a week's work performed in ordinary hours. The fixation of the minimum wage at the amounts mentioned does not give any reason for any change in award rates of pay which are below or above the appropriate minimum wage.'

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.

SALARIED STAFF (QANTAS AIRWAYS LIMITED) AWARD 1970 AS VARIED

The rates for adult males and adult females prescribed by clause 6 of the award will be increased by an amount equal to two percent of the existing rate calculated to the nearest dollar, less than fifty cents to go to the lower amount and fifty cents or more to go to the higher amount, plus \$130 per annum.

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The orders in these two matters will come into force as from the beginning of the first pay period to commence on or after 29 May 1973 and will remain in force for a period of twelve months.

PUBLIC SERVICE DETERMINATION NO. 104 OF 1966 AS VARIED

The Commission constituted by Moore J., Acting President, Robinson and Coldham JJ. and Mr Public Service Arbitrator Taylor makes the following determination to operate from the beginning of the first pay period to commence on or after 29 May 1973.

The rates prescribed by clause 1(1) and schedules A and B of the determination will be increased by an amount equal to two percent of the existing rate calculated to the nearest dollar, less than fifty cents to go to the lower amount and fifty cents or more to go to the higher amount, plus \$130 per annum.

In view of the terms of the determination no variation is required for juniors as they will receive the prescribed percentages of the new adult rates.

SETTLEMENT OF ORDERS

The form of the orders in the first two matters will be settled by the Registrar with recourse to a member of the Bench concerned and the determination varying Public Service Determination No. 104 of 1966 will be settled by the Public Service Arbitrator.
