

IN THE AUSTRALIAN CONCILIATION AND ARBITRATION  
COMMISSION

In the matter of the *Conciliation and Arbitration Act 1904-1976*

and of

*The Public Service Arbitration Act 1904-1973*

and of

**NATIONAL WAGE CASE—MAY 1976**

and of

THE METAL INDUSTRY AWARD, 1971  
(C Nos 1128 and 1853 of 1971)  
(C No. 1933 of 1974)

and of

THE METAL INDUSTRY AWARD, 1971—PART II—DRAUGHTSMEN,  
PRODUCTION PLANNERS AND TECHNICAL OFFICERS  
(C No. 1909 of 1967)  
(C No. 1978 of 1974)

and of

POSTAL TELECOMMUNICATIONS TECHNICIANS  
ASSOCIATION (AUSTRALIA)

Claimant

v.

THE AUSTRALIAN BROADCASTING CONTROL BOARD and others

Respondents

(C No. 3619 of 1974)

and of

THE PROFESSIONAL OFFICERS ASSOCIATION COMMONWEALTH  
PUBLIC SERVICE and others

Claimants

v.

THE PUBLIC SERVICE BOARD and others

Respondents

(C No. 3620 of 1974)

and of

THE PROFESSIONAL ENGINEERS (GENERAL INDUSTRIES) AWARD,  
1975  
(C Nos 951 of 1964; 1204 of 1971; 821, 822, 1959 and 1960 of 1974)  
(C No. 2031 of 1976)

*Variation of awards and determinations—Rates of pay—Examination of principles of wage determination formulated during 1975—Effect of movement in the Consumer Price Index March 1976 quarter—Examination of the national economy—Role of the Commission—Conciliation and Arbitration Act 1904-1976. s.34—Public Service Arbitration Act 1904-1973, s.15A—Decision issued.*

On 17 and 28 October 1974 and 19 January 1976 applications were filed by the Electrical Trades Union of Australia (C No. 1933 of 1974), the Association of Architects Engineers Surveyors and Draughtsmen of Australia (C No. 1978 of 1974) and The Association of Professional Engineers Australia (C No. 2031 of 1976) for orders varying the above awards.

On 21 and 24 October 1974 applications to vary Determinations No. 2 of 1939 (C No. 3619 of 1974) and Nos 19 of 1961, 245 of 1967 and 42 of 1965 were lodged by the Postal Telecommunications Technicians Association (Australia) and The Professional Officers' Association Commonwealth Public Service and others.

The applications came on for hearing before the Australian Conciliation and Arbitration Commission (Mr Justice Moore, President, Mr Justice Robinson, Mr Justice Ludeke, Deputy Presidents, Mr Deputy President Isaac, Mr Public Service Arbitrator Taylor and Mr Commissioner Portus) and on 30 April 1975 [Serial No. C2200], 18 September 1975 [Serial No. C2700], 3 November 1975 [Serial No. C4736] and 13 February 1976 [Serial No. C4405] the Commission issued decisions in connection with the said applications.

The applications again came on for hearing before the Commission, constituted as above, in Melbourne on 12 April 1976.

- R. J. Hawke, R. A. Jolly and J. Marsh* for the Australian Council of Trade Unions.  
*W. Richardson* for the Association of Architects Engineers Surveyors and Draughtsmen of Australia.  
*R. L. Gradwell* for the Postal Telecommunications Technicians Association (Australia).  
*P. Barnes* for The Association of Professional Engineers, Australia.  
*B. J. Madden*, of counsel, for the Metal Trades Industries Association of Australia and others.  
*P. McCormack* and *V. Maloney* for The Australian Public Service Board.  
*K. D. Marks* of counsel, for the Minister for Employment and Industrial Relations (intervening).  
*R. L. Gradwell* and *W. J. Smith* for the Council of Australian Government Employees Organizations (intervening).  
*B. J. Durham* for the Australian Council of Salaried and Professional Associations (intervening).  
*J. A. Keely, Q.C.*, for Her Majesty the Queen in right of the State of Victoria and others (intervening).  
*P. Powell, Q.C.*, for Her Majesty the Queen in right of the State of New South Wales (intervening) and later.  
*J. Coombs*, of counsel, for the Premier-elect in New South Wales (intervening).

*J. Macrossan*, Q.C., for Her Majesty the Queen in right of the State of Queensland (intervening).  
*M. J. Dowling*, of counsel, and *L. E. Boylon* for Her Majesty the Queen in right of the State of Western Australia (intervening).  
*M.F. Gray*, of counsel, for Her Majesty the Queen in right of the State of South Australia (intervening).  
*F. D. Westwood*, for her Majesty the Queen in right of the State of Tasmania (intervening).  
*J. R. Andrews*, for the Australian Public Service Federation (intervening).  
*J. S. Luckman*, for the Master Builders Federation of Australia (intervening).

On 28 May 1976 the Commission issued the following decision:

In its decision in the National Wage Case September 1975 [Serial No. C2700] the Commission recognised the need to provide an opportunity to examine the system of wage fixation which was formulated on 30 April 1975 [Serial No. C2200]. On 9 March 1976 the Commission announced that it would sit on 27 April to deal with the March quarter Consumer Price Index and subject to the completion of that case would sit on 4 May to commence consideration of the principles of indexation.

On 1 April, the President announced that because of the gravity of industrial disputes in the airline industry and in wool stores the review which was to commence on 4 May would be brought forward to 12 April.

All concerned with the system participated in the debate, which incorporated the question of the application of the March quarter C.P.I., published during the proceedings. Although there were significant differences of opinion as to structure and content, there was for the first time unanimous support for a system of wage fixation based upon indexation. This degree of consensus is in stark contrast to the position twelve months ago.

#### *ATTITUDES OF THE PARTIES AND INTERVENERS*

##### *Unions*

The Australian Council of Trade Unions (A.C.T.U.) expressed '*the earnest desire of the trade union movement . . . that the indexation package will survive with modifications*'. The quality of this support is well illustrated by the comparison made by Mr Jolly with the pre-indexation era.

*'The A.C.T.U. has made it clear in applying for wage indexation that it does not seek a return to the situation which culminated in the 1974 wages scramble. We firmly support a wage fixation system in Australia which is equitable, in that weak and strong alike are treated simultaneously and similarly and real wages are maintained.*

*The unsure situation of the 60's and early 70's in our submission was not a Utopian situation from the point of view of the Unions, the employers or the Commission. The decentralised pattern of wage fixation which existed at that time proved in our submission, to be less successful (from, an overall point of view than the more centralised system which currently exists.'*

The A.C.T.U.'s primary proposal was that for a period of twelve months there should be automatic quarterly adjustments of award wages to the full extent of the percentage movement in the C.P.I.; it pointed out that it would be unrealistic to assume that if there were less than full indexation there would be no wage increases outside the Commission. Should the Commission not be persuaded to adopt a system of automatic cost of living adjustments, the A.C.T.U. urged that the requirement on those opposing adjustment should be much heavier than at present. The A.C.T.U. asserted that in terms of economic criteria the wage indexation principles have been a success and in this, as with its other submissions it received the general support of the Council of Australian Government Employee Organisations, the Australian Council of Salaried and Professional Associations, the Council of Professional Associations and the Australian Public Service Federation.

### *Governments*

The Commonwealth's consistent theme was that its ability to improve Australia's economic position can be frustrated by developments on the wages front. It proposed that wages and salaries should be adjusted by applying the six-capital cities C.P.I. percentage increase to the minimum wage for Melbourne and adding the result as a flat amount to all award wages and salaries. For the March 1976 quarter, it would follow that each award rate would be increased by \$2.80 per week. It suggested that for the next twelve months adjustments using the same formula should take place six-monthly.

The Commonwealth also submitted that on an occasion when it could be justified, the Commission should discount the Index for indirect taxes and for other reasons such as a sudden substantial change in the terms of trade.

It was acknowledged that it would be consistent with the Commonwealth's economic objectives if the Commission adhered to quarterly adjustments, provided that the proposed form of indexation was adopted.

Western Australia generally supported the Commonwealth submissions, notwithstanding that the Industrial Commission of the State had decided to increase award wages and salaries by the full percentage of 3 per cent for the March quarter.

Queensland submitted that there were disadvantages in discounting the C.P.I. and proposed that adjustment of wages be made after assessing all relevant factors.

Victoria supported, and New South Wales, South Australia and Tasmania opposed the Commonwealth proposal that the C.P.I. be discounted.

Tasmania, South Australia, Queensland and Victoria preferred that the scheme of quarterly reviews be continued.

There were also differing views among the States on the form of adjustment and on what should be done about the March quarter Index figure of 3 per cent. Queensland was opposed to any formula which resulted in compression of relativities, and contended that any increase should be by way of uniform percentage. It urged the Commission to retain a general discretion to make a decision according to all relevant economic factors including price changes; for the March quarter the increase should be a percentage less than 3 per cent.

Victoria was also concerned with the consequences of the compression of relativities, and proposed for a period of twelve months, partial indexation by applying to wage and salary rates one-half of the C.P.I. discounted for indirect tax changes. It suggested for the March quarter an increase of 1.5 per cent.

New South Wales submitted that the appropriate adjustment on this occasion would be the full 3 per cent.

Tasmania and South Australia gave general support to the submissions of the Australian Council of Trade Unions, and asked the Commission to continue quarterly adjustments and to apply the full percentage movement in the C.P.I. to all wage rates.

It is relevant to point out that all States have amended or are contemplating amending legislation to facilitate the operation of the principles of indexation.

Since our decision in September 1975, the President has taken the opportunity of visiting each State tribunal for discussions and has also made available to them reports on the proceedings of the Anomalies Conference, to which we refer later in this decision.

#### *Employer*

All private employers indicated support for a systematic approach to wage fixation. It was fundamental to their submissions that consideration of the general level of wages of every employee in the community demands *'an appropriate and substantive examination of the effect that any decision will have on the economy'* and that on every occasion such an adjustment is proposed there should be an examination of economic circumstances which is real and not superficial.

In the employers' view, every six months there should be hearings which would conform to this concept, and while the C.P.I. would continue as a point of primary reference, the Commission would take into account the relevance of indirect taxes, government charges and other factors. The Commission should be free to grant a lesser increase than the full C.P.I. movement, or *'no increase at all if it has been demonstrated that it would be harmful to the national economy to do otherwise'*. The employers submitted that for the March quarter no increase could be justified on economic grounds, but if for other reasons the Commission decided to award an increase, it was essential that its economic impact be minimal.

The Australian Public Service Board again expressed its general support for the system of indexation.

The Master Builders' Associations of the States, except Western Australia, made separate submissions supporting indexation, but proposed that an increase awarded generally for a particular quarter should be withheld from the members of any union which did not substantially comply with the principles. It was suggested that for a period of some sixteen months, there should continue to be quarterly reviews, and the C.P.I. should continue as the appropriate criterion without variation. The adjustment for the March quarter should be the full 3 per cent, but thereafter a flat amount should be awarded, arrived at by applying the quarterly C.P.I. percentage to average weekly ordinary time earnings.

T.A.A., Ansett Airlines and Qantas intervened to draw the Commission's attention to disputes currently taking place with a number of unions. Full support for the concept of indexation was expressed, but it was submitted that consideration be given to withholding benefit of wage indexation from groups of employees involved in industrial action.

### *THE ECONOMY*

As shown in the appended table, since the introduction of the indexation principles in April 1975, a considerable slowing down in the rate of wage increases has taken place. The inflation rate as reflected by the C.P.I. has been contained and reduced somewhat. The decline in economic activity has been checked but economic recovery continues to be slow and halting. Unemployment remains very high at about the same rate as a year ago. On the most recently published statistics, real expenditure on private housing rose substantially in the second half of 1975 but the other components of private capital expenditure declined. The substantial accumulation of stocks during 1974 has been drawn upon to meet demand in 1975. Although the share of company profits in Gross Domestic Product has recovered a little from its low point in the March quarter of 1975. It still remains well below the level of earlier years. Farm incomes have been subjected to rising costs and declining returns with serious social and economic consequences for this sector of the economy. Real consumption expenditure, after picking up in the first half of 1975, fell during the second half of the year.

The balance of payments position alone remains sound but the widening gap in the inflation rate between Australia and its major trading partners is a source of anxiety for the near future.

The serious state of the economy and the submission of the Commonwealth that recovery without substantial reduction in inflation was likely to be weak and short-lived, was not denied by anyone appearing before us.

However, there were fundamental differences on the appropriate measures for promoting recovery, especially those which affect the course of wages. The Commonwealth submitted that:

*' . . . the rate of increase in wages is a vital aspect of the inflationary problem with which we are confronted; that with full wage indexation or equivalent increases in wages there will be great difficulty in slowing down inflation notwithstanding other action by the Government; that if inflation is not slowed down sustained economic recovery is not likely to be achieved, and that this implies continued unemployment at unacceptable levels and deferment of growth in the real incomes of wage and salary earners and other Australians.'*

In its elaboration of this submission, the Commonwealth explained that in order to bring down the inflation rate to a more acceptable level and to promote recovery, it was necessary for real wages to be reduced. Two consequences would follow. First, the lower real wage would allow the share of profits to rise from its present abnormally low level and provide the incentive for increased investment. Second, the smaller addition to labour costs would slow down inflation and revive consumer confidence. Despite the lower real wage, an increase in the proportion of income devoted to consumption expenditure would take place, this proportion having fallen substantially with the acceleration of inflation.

The Commonwealth drew on a statistical exercise to support this argument by showing that with full indexation of the kind the Commission has awarded in the last four quarters, the economy would be 'locked in' to an inflation rate of about 13 per cent per annum by the first quarter of 1977. To avoid this situation the Commonwealth submitted that wages would have to rise in the next twelve months by a figure significantly less than the increases in the C.P.I. This approach and its underlying analysis was supported by the private employers and to varying degrees by the States of Victoria, Queensland and Western Australia. A summary of their submissions in this connection was outlined earlier.

The unions opposed this course of action. They argued that the Commonwealth's statistical exercise which projected an inflation rate of 13 per cent per annum resulting from full indexation was based on questionable assumptions and should be treated with reserve; and that an alternative set of assumptions would show a significantly lower inflation rate. Moreover, the industrial implications of the course proposed by the Commonwealth could well result in inflation in excess of this rate.

Further, the unions submitted, the assumption that a fall in real wages would promote economic recovery was false. A reduction in real wage incomes would further discourage consumption expenditure. Economic recovery, including recovery in investment, could only be led by a revival in consumption expenditure. The Government had recently provided incentives to investment in the form of double depreciation and a substantial investment allowance. The proper course now for recovery, the unions contended, is an expansionary fiscal policy involving a reduction in personal income taxation and lower indirect taxation to provide the basis for increased spending, a fuller use of existing capacity, increased productivity and an increase in profitability without a reduction in real wages.

The unions maintained that lower indirect taxes would have an immediate effect on the C.P.I., resulting in smaller consequential wage and price adjustments with salutary effects on inflation and recovery. To this the Commonwealth contended that while the argument was superficially attractive, it would worsen the present imbalance between direct and indirect taxation and it would increase the budget deficit with undesirable consequences for inflation and inflationary expectations. While rejecting the validity of the Commonwealth's argument on inflation, the unions submitted that even without a reduction in indirect taxes, the maintenance of real wages accompanied by tax indexation would produce more beneficial economic and industrial results than the course proposed by the Commonwealth.

Thus while there is broad agreement on the state of the economy, there is a fundamental difference in the position of the unions and some States on the one hand, and the Commonwealth, private employers and some States on the other, on the proper course for this Commission to pursue both in regard to the March quarter C.P.I. adjustment and the adjustments for the next twelve months. This difference arises from disagreement on appropriate government economic policy and on the industrial viability of awarding lower real wages, and it raises sharply the question of the Commission's role.

#### *THE ROLE OF THE COMMISSION*

We dealt with this matter fully in our April 1975 decision but in view of the opposing economic submissions and the different proposals for the course of wages we believe we should emphasise a number of important points.

First, the Commission is a body independent of governments, unions and employers. It should not be seen as an arm of government which formulates wage decisions simply to *'fit in'* with economic policy. The Commission treats all submissions on their merit.

Second, in relation to the Commonwealth's submission that in the present circumstances we should give greater weight to economic considerations, while the distinction between economic and industrial arguments is useful for analytical purposes, the economic consequences of any decision which the Commission makes on wages cannot be evaluated in isolation from the industrial consequences, because of their interaction. In practice, the task of the Commission is to weigh all the relevant considerations in order to come to a decision which may reasonably be expected to produce the best overall result. What may appear from a certain viewpoint to be the best wage decision for economic recovery, and may turn out to be wrong when industrial considerations are brought to bear on the decision.

Third, in formulating a set of principles for wage fixation we have tried to approach the question of wage fixing not as the resolution of each dispute as an isolated and independent case but as the determination of inter-related matters within a *'system'* in which short term advantages or disadvantages may have to be balanced against long term costs or gains. We have taken this approach in the light of the experience of self-defeating sectional wage settlements of the last few years culminating in the wage explosion of 1974. We believe that this approach will enable the Commission to perform its task of preventing and settling industrial disputes in a more rational, more orderly and more equitable manner with advantages to the economy and to industrial relations.

Fourth, we should emphasise that it is not for the Commission to offer advice on the proper economic policy for the Government to pursue. But the Commission believes it should draw attention whenever necessary to the industrial implications of economic policies in so far as they bear on wage demands and on the decisions of the Commission. We pointed out in our April 1975 decision that we were impressed with the contention that *'the size of wage demands, especially in a period of rapid price change, is related to the level and structure of personal income taxation; and that the viability of our wage fixing principles will depend in part on the Government's constant sensitivity on this point . . . It goes without saying that fiscal action which adds to costs and prices will have a direct and rapid effect on wage movements through indexation.'*

Finally, the success industrially and economically of the indexation package does not depend only on the Commission. This point is highlighted in the following submission of the Commonwealth:

*'The wage indexation package could easily be destroyed, it is not something the Commission can unilaterally sustain; its whole basis rests upon the active and responsible co-operation of all parties concerned, be they government, tribunal, employer, union or individual member of the community.'*

*Fundamentally, the problem goes to the conflict of goals between and among parties and participants in the system. For any industrial relations system to be workable and stable in its operation it is essential to have some basic core of agreement as to the proper ways of going about things and the appropriate parameters for action. The wage indexation package can be viewed in this light and as the Commission has stated in its September decision of 1975:*

*'The successful implementation of indexation would be an achievement of significance beyond industrial relations. It would demonstrate the capacity of the community to rationalise the divergent aims and ambitions of its constituent groups in the national interest.'*[Op. cit.]

*Participants must be prepared to live within the framework of the rules or principles, even if they are not of their own choosing. Given a context conducive to the exercise of responsibility and a framework of rules or principles which establish fair parameters, the Commonwealth submits that the majority of organised groups in our industrial society will attempt such rules and principles. By and large, parties, tribunals and governments are sensitive to the notion that there are limits on behaviour beyond which they cannot go as individuals or as organised groups without doing damage to the very foundations of the system.'*

We believe that this submission is well sustained by the experience with indexation over a period of twelve months. We should perhaps add by way of emphasis that the supporting mechanisms outlined in our April 1975 decision depend largely on the actions of the Commonwealth and they have been an important element in the success of indexation so far.

#### *PRINCIPLES OF WAGE DETERMINATION*

The Commonwealth, some of the States and the unions asked the Commission to determine a system that would operate for a period of twelve months. That course could only be warranted if there was a significant degree of consensus on the terms of an indexation package and the economic and industrial effects of its application. The submissions made during these proceedings show that although there is unanimous support for an indexation package, widely varying views are held as to the appropriate terms and likely results.

It must be plain from our references to the continuing nature of the system and our discussion of the dependence of our related decisions that we do believe that the system has a future. But our inclination must be tempered by the hard facts concerning the economy and by the evidence of many disputes in which the unions concerned have used various forms of direct action in attempts to obtain benefits beyond those allowed by the principles. In these circumstances we do not consider that we can commit the Commission beyond a quarter by quarter examination.

While the present difficult economic circumstances continue, the Commission must be particularly watchful of the consequences of its decisions and the interdependence of one decision on another. Although it has not been suggested that the degree of non-compliance which has occurred is so high that the system should be abandoned, the range and extent of strikes and bans that are occurring is clearly inconsistent with the full support and unanimity of views which each trade union peak council would like to be able to present to the Commission.

It may not be enough that the majority of unions have complied with the principles and that many unions have expressly declared their complete support for our indexation system. A number of disputes, including the lengthy airlines dispute, have shown a degree of intransigence which suggests that deliberate flouting of the principles may be an integral part of a dispute. Such action does not encourage the Commission to commit the community to a system of indexation for twelve months. The extent of disputation is also a matter of grave concern in that the additional costs involved make the operation of the indexation system in an inflationary economy more difficult.

We believe that the Commission should continue to sit each quarter to consider the most recent C.P.I. All those appearing before us are agreed that in considering whether award wages and salaries should be adjusted, a prime consideration will continue to be whether there has been substantial compliance with the principles.

### *Principle 1*

At present this principle reads:

*'The Commission will adjust its award wages and salaries each quarter in relation to the most recent movement of the six-capitals C.P.I. unless it is persuaded to the contrary by those seeking to oppose the adjustment.'* [Serial No. C2200]

The chief criticism directed at this principle by the A.C.T.U. supported by the other peak councils was that it left room for doubts that substantial compliance with the principles may not necessarily lead to quarterly wage indexation adjustment. This uncertainty was said to be one of the major concerns of the trade union movement. It was proposed that the principle read as follows:

*'The Commission will adjust its award wages and salaries each quarter in relation to the most recent movement of the six-capitals consumer price index unless it is persuaded by those seeking to oppose the adjustment that there are exceptional and compelling circumstances.'*

Mr Jolly denied that the suggested wording would constitute a relaxation of the principles. He said:

*'If our submission is adopted there is no way that control is taken out of the Commission's hands.'*

He argued that while the Commission continued its refusal to adopt a system of automatic cost of living adjustments, the onus on those opposing adjustment should be emphasised, and whether the opposition was founded on breaches of the principles or on economic grounds, the test should be more stringent than at present.

We do not accept that there is any need to alter this principle. Some degree of uncertainty must exist and this is inherent even in the suggested amendment. However, during the past year the Commission has demonstrated that it is prepared to adjust award wages and salaries in accordance with the principles, notwithstanding strong arguments in opposition.

In our view any party should be entitled when debating principle 1 to put forward such material as it thinks necessary, whether it be about industrial or economic matters. We did not in the past limit any party and we acknowledge that no party took advantage of this. It seems to us that everyone who has appeared before us has quite scrupulously endeavoured to present material considered appropriate in as reasonable and short a form as possible.

Another contentious matter was the unqualified use of the Consumer Price Index for the purpose of adjusting wages. Strong views on this were put forward by the private employers, by the Commonwealth and some of the States. The private employers pointed out fluctuations may occur because of seasonal conditions, changes in import prices, increases in indirect taxes and government charges or increases due to wage movements, all of which did not warrant wage adjustments.

The Commonwealth proposed that the index be treated as a '*starting point*' only, with the right to argue that allowance be made for the effects of such factors as changes in rates of indirect tax and sudden substantial changes in import prices. It was also said that increased indirect taxes may be introduced to redistribute resources by way of improving public facilities or they may have other purposes which should not be offset by wage adjustment. However, the course of the debate before us revealed a number of '*grey areas*' when attempts were made to identify indirect taxes which should attract the Commission's attention and those which might properly be reflected in the C.P.I. Although the question of discounting for indirect taxation does not arise in connection with the March quarter C.P.I. the Commission was asked to acknowledge as a matter of principle that the Index will be discounted where it has been demonstrated that sufficient grounds exist.

In our February 1976 decision [Serial No. C4405] we expressed the view that any consensus on this issue would obviously be a matter of significance. In this connection, we note the reliance placed in successive hearings on the deliberations of the Standing Tripartite Commission. Our attention has been drawn to the terms of reference which read in part:

*'to consider and agree by consensus upon recommendations relating to the particular price index to be used for the purpose of wage adjustments and its re-appraisal from time to time . . .'*

It is at least arguable that an overlap exists between those terms of reference and matters argued before this Commission. Suggestions have been made that this Commission should defer decision on C.P.I. discounting until attempts at consensus have been exhausted. In these circumstances we think it might be helpful if the Standing Tripartite Commission could direct its attention specifically to the prospects of consensus in the immediate future and could report on this matter to the Commission at the next quarterly hearing.

Another important opportunity for consensus may be the forthcoming conference between Commonwealth Ministers and trade union leaders.

We think that for the present the Commission should do no more than observe that it is open to any party or intervenor on a future relevant occasion, in the words of the Commonwealth, '*to explain and justify the degree of adjusting it proposes*'. It will be a matter for the Commission as then constituted to consider the question in a factual situation.

We have decided that Principle 1 will remain unchanged.

## Principle 2

*'For this purpose, the Commission will sit in April, July, October and January following the publication of the latest C.P.I. We expect the time of such hearings to be short.'* [Serial No. C2200]

We were asked to strengthen our expectation by introducing terms which would provide some safeguard against unduly long submissions. It was suggested that the proponent of a lengthy submission should be obliged to justify his position, but while sympathising with the intention of this suggestion, we have concluded that it may well raise further difficulties.

The Commonwealth put forward the view that the last sentence should be deleted, thereby allaying criticism of delays and removing ill-based expectations, but it was and continues to be our expectation that the hearings will be short, and we reject this proposal also.

## Principle 3

*'Any adjustment in wage and salary award rates on account of C.P.I. should operate from the beginning of the first pay period commencing on or after the 15th of the month following the issue of the quarterly C.P.I.'* [Ibid]

Moved by an understandable concern for the length of cases, the unions proposed that the operative date should be *'the 15th of the month following'* regardless of the circumstances. Our decision of 18 September last recognised the difficulty posed by long cases, but as we then said *'... there were many people with real interests who wished to place material before us'*. This was again the position in this case and we repeat what was said in connection with principle 1, namely that such material has been presented in as reasonable and short a form as possible.

The date of operation will be a matter for each Bench to consider in the circumstances of the particular case but we believe that every effort should be made to ensure that the adjustment will operate from *'the 15th of the month following'*. We restate however the Commissions reluctance to award retrospectivity in major wage cases.

It follows that the effect to be given to the word *'should'* in the principle is *'will, if practicable'* and we will amend the principle accordingly.

## Principle 4

*'The form of indexation will be determined by the Commission in the light of circumstances and the submissions of the parties, provided that an increase of less than 2 per cent in any one quarter should be applied fully to all award rates.'* [Ibid]

C.A.G.E.O., A.C.S.P.A., C.P.A. and A.P.S.F. contended for full percentage indexation to be written into the principles, but we consider the form must be left as an issue to be decided in each case.

It was not intended that the proviso should have effect independently of principle 1, but that it should be subject to that principle and we think this should be made clear. Debate on this principle revealed that different interpretations had been placed on the proviso and in order to remove a source of ambiguity we will delete the proviso.

#### *Principle 5*

*'No wage adjustment on account of the C.P.I. will be made in any quarter unless the movement in that quarter was at least 1 per cent. Movement in any quarter of less than 1 per cent will be carried forward to the following quarter or quarters and an adjustment will occur when the accumulated movement equals 1 per cent or more.'*  
[Ibid]

In the view of the unions, the experience with the September 1975 quarter C.P.I. justifies a statement to the effect that the Commission would consider an application where the movement was less than 1 per cent if special circumstances exist. We do not think that the September experience is sufficient reason to alter the principle.

#### *Principle 6*

*'Each year the Commission will consider what increase in total wage should be awarded on account of productivity.'*

All parties and interveners continued their support for the conduct of a productivity inquiry each year and this principle will remain unchanged.

#### *Principle 7*

The opening lines of this principle will remain unchanged:

*'In addition to the above increases, the only other grounds which would justify pay increases are:'*

##### *7 (a) Changes in work value*

Following an amendment made by our decision of September 1975, this principle now reads:

*'Changes in work value being changes in the nature of the work, skill and responsibility required, or the conditions under which the work is performed. This would normally apply to some classifications in an award although in rare cases it might apply to all classifications.'*

The unions again pressed for relaxation of this principle to permit the 'changes' mentioned to be illustrative only, and to permit argument in each case on the question of the appropriate starting point from which to measure change. These proposals were considered fully in our September 1975 decision and we have heard nothing on this occasion which would cause us to alter what was then said.

The following is a summary, though not a complete description of the points made in that decision.

- (i) *Prima facie* the time from which work value changes should be measured is the last movement in the award rates concerned apart from National Wage and Indexation. That *prima facie* position can only be rebutted if a party demonstrates special circumstances and even then changes can go back only to 1 January 1970.
- (ii) Changes in work by themselves may not lead to changes in the value of work. The change should constitute a significant net addition to work requirements to warrant a wage increase.
- (iii) Where it has been demonstrated that a change has taken place in accordance with the principles, an assessment will have to be made as to how that charge should be measured in money terms.
- (iv) The expression '*the conditions under which the work is performed*' relates to the environment in which the work is done.
- (v) In respect of new work for which there is no current rate, an appropriate rate may be struck in accordance with proper work evaluation.
- (vi) Re-classification of existing jobs is to be determined in accordance with this principle.

So that principle 7 (a) will be clear we will add those matters to it.

#### *7 (b) Catch-up of community movements*

In our decision of September 1975 we expressed our anticipation that claims under this transitional principle should disappear by the end of 1975. As there are still a few matters to be considered under this principle we will confirm it as clarified by the views expressed in our September decision. This will result in 7(b) reading as follows:

*'As a result of a series of industry wage increases in 1974 a firm base has been widely established with appropriate relativities between and within awards on which indexation can be applied. However, there may be some cases where awards have not been considered in the light of the community movements in 1974. These cases may be reviewed to determine whether for that reason they would qualify for a wage increase but care must be exercised to ensure that they are genuine catch-up cases and not leap-frogging.*

- (i) *This principle refers to only one community and not to a plurality of communities.*
- (ii) *The \$24 awarded in the Metal Industry Award should not simply be converted into a percentage and applied throughout a wage and salary scale.*

- (iii) *Paid rates awards should not be accorded increases for 1974 which differ from those granted in minimum rates awards nor is it relevant to compare minimum rates with paid rates.*
- (iv) *It is to be understood that the compression of relativities which has occurred in awards in recent years does not provide grounds for special wage increases to correct the compression. Compression is a matter which could be raised for consideration in cases dealing with the form of indexation and in cases dealing with national productivity distribution.'*

#### 7 (c) Anomalies

We think it desirable to incorporate the procedure for dealing with anomalies as part of the principles. We have decided also to extend the concept of the Anomalies Conference.

In its decision of 18 September 1975 following the first review of its wage fixation principles the Commission acknowledged the existence of anomalies and expressed concern about them. However, it was not then prepared to add anything to the principles but arranged for a conference of the principal parties to be called by the President to deal with this matter. The intention was that there should be an attempt to categorise anomalies and for the President to report back to the Full Bench about the conference and in particular about the Categories of anomalies which had emerged from it. A number of conferences took place as a result of that announcement although in the event a written report became unnecessary. At a subsequent hearing on 2 December the future programme of procedures was discussed and the Commission indicated that an immediate conference would take place on the question of anomalies before the President.

Partly as a result of the attitudes of various parties and partly because it was found to be impracticable to categorise anomalies, the conference which commenced on 2 December dealt with individual anomalies and did not attempt to categorise them. On 11 December the following Statement was issued by the President on behalf of the Full Bench which set out the procedure which had been evolved at these conferences:

*'A procedure has been evolved whereby the peak trade union Councils namely, A.C.T.U., C.A.G.E.O., A.C.S.P.A. and C.P.A. bring to the Conference specific anomalies which they seek to have rectified. There is then a discussion with the employers concerned and other interested parties at the Conference are permitted to make observations. The broad principles of processing the anomalies which are raised are:*

- (1) *If there is complete agreement as to the existence of an anomaly and its resolution and I am of opinion that it is a genuine anomaly I will make the appropriate order to rectify the anomaly.*
- (2) *If there is the situation where there is agreement as to the existence of an anomaly but not as to its solution the matter will go to a full bench of the Commission to be dealt with.*

- (3) *If there is no agreement at all one of two situations can arise. Either I will hold that there is no anomaly falling within the concept of this Conference which would mean an end of the matter as far as these Conferences are concerned or on the other hand I could hold that there was an arguable case which would then go to a full bench of the Commission for consideration.*

*This procedure can be departed from by agreement and with my approval and in the case of matters in the Australian Public Service they may have to be dealt with somewhat differently in order to comply with the provisions of the Public Service Arbitration Act.'*

The Conference has met from time to time since December and there are still some anomalies to be dealt with by it. The Conference has been regarded both by the Commission and the parties as a continuing one to which anomalies could be brought.

In the proceedings before us the A.C.T.U. supported by the other peak councils has submitted that the principles should be changed to enable matters which would be outside the current principles and which are not anomalies to be dealt with. We are concerned that any widening of the principles in general of terms could lead to a flood of applications but nevertheless we are conscious that the word '*anomalies*' may be too restrictive to deal with every special circumstance which may arise and which perhaps should be dealt with.

In this connection we note Mr Jolly's concession of the limited nature of special circumstances and the rigid anomalies procedure for dealing with them. Indeed, Mr Jolly agreed that an inevitable test which would have to be considered would be the degree of rarity and isolation of those circumstances.

We have therefore decided that there will be a principle 7 (c) which will read as follows:

*'7 (c) Anomalies*

*The resolution of anomalies and special and extraordinary problems by means of the conferences already established to deal with anomalies and in accordance with the procedures laid down for them.'*

It is our intention that every claim arising out of anomaly or special and extraordinary circumstances will be processed by the Anomalies Conference and not otherwise.

*Principle 8*

*'Any applications under paragraphs (a) and (b) of principle 7 whether by consent or otherwise will be tested against the principles we have laid down, and viewed in the context of the requirements for the success of indexation. This does not mean the frustration of the process of conciliation but it does mean that the Commission should guard against contrived work value agreements and other methods of circumventing our indexation plan. We draw attention to section 4 (1)(q) of the Act which says that the meaning of "individual matters" includes "all questions of what is right and fair in relation to an industrial matter having regard to the interests of the persons immediately concerned and of society as a whole".'*

*Allowances may be adjusted from time to time where appropriate but this does not mean that existing allowances can be increased extravagantly or that new allowances can be introduced, the effect of which would be to frustrate our general intentions. Our view on this matter is equally relevant to all other award conditions.'*

The last paragraph gives effect to our discussion of allowances and other award conditions in the decision of September 1975.

Our reference to the frustration of our general intentions should be read in the context of the statement we made both in April and September:

*'Regardless of the reasons for increases in labour costs outside national productivity and indexation, regardless of the source of the increases (award or overaward, wage or other labour cost) and regardless of how the increases are achieved (arbitration, consent or duress), unless their impact in economic terms is 'negligible' we believe the Australian economy cannot afford indexation.'*

#### *CONCLUSION AS TO PRINCIPLES*

It will be noted that the only fundamental change in our principles is the incorporation of the procedure for dealing with anomalies and special and extra-ordinary problems. Other changes are mainly concerned with the clarification of the existing principles in the light of experience.

We have set down in Appendix 1 the principles in convenient form, but it should be clear that these principles must be seen in the context of our various decisions.

#### *THE MARCH QUARTER C.P.I. ADJUSTMENT*

It should be understood that no party or intervener has suggested the claim in respect to the March quarter be dismissed. Therefore the question for us to decide is whether or not to award the full 3 per cent to all. In our April 1975 decision we said that *'There is undoubted merit on grounds of equity and industrial relations for ensuring that real wages are maintained unless evidence can be adduced of consequential adverse economic effects'*. In successive decisions since then, the Commission has maintained this position despite the slowness of economic recovery and the uncertainty in the economic outlook. We have also said repeatedly that from the point of view of ensuring economic recovery and a lowering of unemployment, the safest course would be not to add to wage costs at all. But in the expectation of the long term industrial and economic benefits of adherence to our indexation principles, we decided against any reduction in the real value of wages.

The Commission's task has been well described in these terms by Mrs Barnes who appeared for the Council of Professional Associations:

*'The questions the Commission has to decide in connection with the March quarter increase are in substance no different to those decided in the preceding quarters. The central issues are as before: whether to continue to preserve the real value of wages or salaries or to allow them to be diminished; whether to maintain the present structure of relativities or to countenance their compression. It is a weighty decision and one involving the balancing of one consideration against another: the reconciliation of competing claims of industrial relations and wage equity with the needs of the economy.'*

The evidence before us on this occasion about the distinct possibility that full indexation would keep the inflation rate close to 13 per cent for some time to come, with the prospect of economic stagnation at a high level of unemployment, makes it necessary for us to consider the urgency of making a more positive contribution to moderating cost increases. We are aware that the accuracy of projections of price movements is open to question and that it is notoriously difficult to predict the future course of the economy. But these expectations do suggest that we should proceed cautiously in order to avoid if possible, prolonging unduly by our decision the hardship to which a large section of the community including wage and salary earners have been exposed.

This does not detract from our firm belief that costs and prices are affected not only by wages but also by other factors, especially the extent to which industrial capacity is used; and that the future of the economy will depend on a variety of actions which are outside our control and which overall will be more important than our present decision on the March C.P.I.

In his submission, Mr Jolly conceded the case for departing from full indexation in *'exceptional and compelling circumstances'*. The information before us on the slow and halting economic recovery since we began indexation a year ago, on the slow rate at which inflation has declined, especially in relation to our main trading partners, and on the projection of future price movement under full indexation, seems to us to confirm the existence of exceptional and compelling economic circumstances. Thus there are strong grounds for departing on this occasion from full C.P.I. adjustment but the departure can be and should be confined.

In order to meet the requirements of equity and at the same time make a contribution towards moderating the increase in labour costs, we have decided on this occasion that a 3 per cent increase should be awarded, but on a restricted basis. We reject the suggestion that a percentage less than the increase reflected in the C.P.I. movement should be used. The full 3 per cent increase will be applied to minimum wages and to all award wage and salary rates (male and female) up to \$125 per week being about the average male award wage rate. The increase above that level will be \$3.80 per week, the result of applying the 3 per cent to that average award rate and rounding it to the nearest 10 cents. For those on annual salaries the amounts are \$6,521 and \$198 respectively.

We emphasise that the containment of the C.P.I. is a decision made for this quarter only and for the reasons specified. In accordance with the principles we have set out earlier, future adjustments will be determined in the light of circumstances and the submissions of the parties at each quarter.

In reaching this conclusion we have not overlooked the decision of the Western Australian Industrial Commission given on 29 April to apply the 3 per cent C.P.I. increase to all wages and salaries under its awards. Despite submissions that it should await this decision before giving judgment it found itself unable to do so. Three alternatives are now open to us: to follow the same course for all our awards; to follow that course in relation to employees in Western Australia under our awards; or to allow a situation to occur whereby some employees under our awards would receive a lesser increase than employees under the State awards. We have given serious consideration to these three alternatives but we think that our statutory responsibilities require us to adopt the third alternative.

In view of the form of our decision on this occasion, it is not the intention of the Bench that the increase we have awarded be applied to over award payments, including those covered by a recommendation provision such as appears in the Metal Industry Award.

#### *Form of Orders*

Because on 9 March 1976 we announced a programme about dealing with the March quarter C.P.I. and because in the result that programme was changed, some measure of retrospectivity will be awarded. The variations of the awards determinations will operate from the beginning of the first pay period to commence on or after 15 May 1976 but only as to ordinary rates and not as so extraneous payments. The variations will have full operation from the beginning of the first pay period to commence on or after 6 June 1976. The Public Service Arbitrator wishes to record that he does not agree with the operative date of 15 May and that in his view the operative date should be the beginning of the pay period current as at the date of this decision. The variations of the awards will operate for a period of three months from 15 May 1976. Weekly rates payable are to be calculated to the nearest 10 cents and annual rates to the nearest one dollar. Where necessary junior rates will be adjusted by 3 per cent. The form of the orders necessary to give effect to the decision under the *Conciliation and Arbitration Act* will be settled by the Registrar with resource to a member of this Commission. The form of the determinations will be settled by the Public Service Arbitrator.

#### *CONCLUSION*

Except as to the adjourned hearing about productivity this brings to an end the series of cases arising out of the matters before these Benches. They have not been a series of independent cases resembling former National Wage cases; it should now be apparent that the Commission over the past year has accepted responsibility for the provision of a forum in which national wage and salary levels can be examined on a continuing basis. We did not treat any decision as unrelated to others which preceded it nor can we disregard the fact that each decision significantly influenced those which followed. It is anticipated that the Commission will continue to have the same approach to the continuity of national wage cases but for the future it will be necessary that application be made each quarter in accordance with the principles we have laid down and each year an application for a productivity review.

## APPENDIX 1

### *Principles of Wage Determination*

In considering whether award wages and salaries should be adjusted a prime consideration will continue to be whether there has been substantial compliance with the principles:

- (1) The Commission will adjust its award wages and salaries each quarter in relation to the most recent movements of the six-capitals C.P.I. unless it is persuaded to the contrary by those seeking to oppose the adjustment.
- (2) For this purpose, the Commission will sit in April, July, October and January following the publication of the latest C.P.I. We expect the time of such hearings to be short.
- (3) Any adjustment in wage and salary award rates on account of C.P.I. will, if practicable, operate from the beginning of the first pay period commencing on or after the 15th of the month following the issue of the quarterly C.P.I.
- (4) The form of indexation will be determined by the Commission in the light of circumstances and the submissions of the parties.
- (5) No wage adjustment on account of the C.P.I. will be made in any quarter unless the movement in that quarter was at least 1 per cent. Movement in any quarter of less than 1 per cent will be carried forward to the following quarter or quarters and an adjustment will occur when the accumulated movement equals 1 per cent or more.
- (6) Each year the Commission will consider what increase in total wage should be awarded on account of productivity.
- (7) In addition to the above increases, the only other grounds which would justify pay increases are:

- (a) Changes in work value

Changes in work value being changes in the nature of the work, skill and responsibility required, or the conditions under which the work is performed. This would normally apply to some classifications in an award although in rare cases it might apply to all classifications.

- (i) *Prima facie* the time from which work value changes should be measured is the last movement in the award rates concerned apart from National Wage and Indexation. That *prima facie* position can only be rebutted if a party demonstrates special circumstances and even then changes can go back only to 1 January 1970.

- (ii) Changes in work by themselves may not lead to changes in the value of work. The change should constitute a significant net addition to work requirements to warrant a wage increase.
- (iii) Where it has been demonstrated that a change has taken place in accordance with the principles, an assessment will have to be made as to how that change should be measured in money terms.
- (iv) The expression '*the conditions under which the work performed*' relates to the environment in which the work is done.
- (v) In respect of new work for which there is no current rate, an appropriate rate may be struck in accordance with proper work evaluation.
- (vi) Re-classification of existing jobs is to be determined in accordance with this principle.

(b) *Catch-up of community movements*

As a result of a series of industry wage increases in 1974 a firm base has been widely established with appropriate relativities between and within awards on which indexation can be applied. However, there may be some cases where awards have not been considered in the light of the community movements in 1974. These cases maybe reviewed to determine whether for that reason they would qualify for a wage increase but care must be exercised to ensure that they are genuine catch-up cases and not leap-frogging.

- (i) This principle refers to only one community and not to a plurality of communities.
- (ii) The \$24 awarded in the Metal Industry Award should not simply be converted into a percentage and applied throughout a wage and salary scale.
- (iii) Paid rates awards should not be accorded increases for 1974 which differ from those granted in minimum wage rates awards nor is it relevant to compare minimum rates with paid rates.
- (iv) It is to be understood that the compression of relativities which has occurred in awards in recent years does not provide grounds for special wage increases to correct the compression. Compression is a matter which could be raised for consideration in cases dealing with the form of indexation and in cases dealing with national productivity distribution.

(c) *Anomalies*

The resolution of anomalies and special and extraordinary problems by means of the conferences already established to deal with anomalies and in accordance with the procedures laid down for them.

- (8) Any applications under paragraphs (a) and (b) of principle 7 whether by consent or otherwise will be tested against the principles we have laid down, and viewed in the context of the requirements for the success of indexation. This does not mean the frustration of the process of conciliation but it does mean that the Commission should guard against contrived work value agreements and other methods of circumventing our indexation plan. We draw attention to section 4 (1) (q) of the Act which says that the meaning of '*industrial matters*' includes '*all questions of that is right and fair in relation to an industrial matter having regard to the interests of the persons immediately concerned and of society as a whole*'.

Allowances may be adjusted from time to time where appropriate but this does not mean that existing allowances can be increased extravagantly or that new allowances can be introduced, the effect of which would be to frustrate our general intentions. Our view on this matter is equally relevant to all other award conditions.

N.B.—The above principles must be seen in the context of the various indexation decisions.

## APPENDIX 2

*Table 1*

Persons registered as unemployed with the Commonwealth Employment Service and hours or overtime worked per employee

<b>Period</b>	<b>Percentage of labour force registered as unemployed (seasonally adjusted)</b>	<b>Average number of hours of overtime worked per employee (seasonally adjusted)</b>
1975-		
March	4.5	2.1
April	4.7	2.2
May	4.5	1.9
June	4.5	1.6
July	4.8	1.7
August	5.0	1.8
September	5.1	1.8
October	5.2	1.9
November	4.7	2.0
December	4.6	1.9
1976-		
January	4.3	2.0
February	4.2	2.2
March	4.4	2.4
April	4.7	

*Source* - Department of Employment and Industrial Relations, *Monthly Review of the Employment Situation*, various issues.

**Table 2**

Percentage changes in weekly wage rates, average weekly earnings and Consumer Price Index

Quarter	Weekly wage rates, adult males, Federal awards		Weekly wage rates, adult females, Federal awards		Average weekly earnings per employed male unit (seasonally adjusted)		Average weekly ordinary time earnings (seasonally adjusted)		Consumer Price Index (six capitals)	
	A*	B*	A*	B*	A	B	A	B	A	B
1973-										
March	2.5	11.1	1.5	9.2	2.7	9.7			2.1	5.7
June	5.7	13.8	9.3	15.2	3.8	11.5			3.3	8.2
September	4.6	16.1	4.6	18.6	4.6	13.7		9.8	3.6	10.6
December	1.3	14.9	5.1	21.3	3.3	15.2	5.3	13.6	3.6	13.2
1974-										
March	1.3	13.5	4.3	25.3	3.5	16.5	4.0	16.9	2.4	13.6
June	19.2	28.0	17.1	34.2	6.2	19.2	7.2	20.5	4.1	14.4
September	7.8	32.0	11.5	43.1	10.0	25.3	10.8	30.0	5.1	16.0
December	5.0	36.8	4.9	42.9	5.5	28.0	7.3	32.5	3.8	16.3
1975-										
March	1.6	37.1	3.0	41.2	3.3	27.3	5.3	34.1	3.6	17.6
June	4.9	20.6	7.0	29.0	1.4	21.6	1.8	27.4	3.5	16.9
September	3.0	15.2	4.5	20.8	3.0	13.8	3.9	19.4	0.8	12.1
December	2.7	12.7	2.3	17.8	4.5p	12.8p	3.4p	15.1p	5.6	14.0
1976-										
March									3.0	13.4

Notes:

A Increase on previous quarter

B Increase on corresponding quarter in previous year

\* Based on monthly averages

p Provisional

Sources: Australian Bureau of Statistics, *Wage Rates and Earnings*, December 1974 and December 1975 (Reference No. 6. 16). *Consumer Price Index*, March 1976 (Reference No. 9.1)

*Table 3*

Some components of Gross Domestic Product and Gross National Expenditure

	Quarter									
	1973		1974			1975				
	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Gross Private Fixed Capital Expenditure (percentage change from previous quarter)-										
Dwellings		-1.0	-4.1	-5.3	-9.6	-6.5	-4.1	-1.3	8.4	9.9
Other building and construction		6.5		-6.9	2.1	-0.4	0.4	1.6	-4.4	-2.5
All other		10.7	-1.1	-3.1	-1.5	-6.5	-1.0	6.3	-0.8	-6.2
Increase in stocks (\$ million)-										
Private non-farm	-83	82	339	250	301	287	-166	-104	-170	-138
Consumption Change (percentage change from previous quarter)-										
Private		1.9	0.5	0.7	-0.7	-0.1	1.5	1.9	-0.8	-1.0
Gross operating Surplus of Companies (as a percentage of Gross Domestic Product at Factor Cost)	16.2	15.2	14.8	12.9	10.8	12.3	10.4	13.6	12.3	12.0

	Quarter									
	1973		1974				1975			
	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Wages, Salaries and Supplements (as a percentage of Gross Domestic Product at Factor Cost)	58.2	59.9	61.2	64.2	67.7	67.3	68.5	66.0	66.5	67.0

*Notes:* All indices based on average 1966-1967 prices and all quarterly figures on seasonally adjusted data.

*Source:* Australian Bureau of Statistics, *Quarterly Estimates of National Income and Expenditure— December Quarter 1975* (Reference No. 7.5).

On 10 June 1976 the Commission (Mr Justice Moore, President) issued the following statement:

*Re Leading Hands*

The parties met with me privately in Melbourne on 9 June about the above matter which arose out of the settlement of the minutes and indicated they were unable to agree.

Without resiling from their earlier attitude that no-one should receive more than \$3.80 per week, the employers referred me to a number of decisions of Senior Commissioner Taylor (as he then was) in 1965 (e.g., 110 C.A.R. 591) where in a not dissimilar situation he applied a percentage increase to the Fitters rate plus a Leading Hand allowance and applied the result to all Leading Hand allowances.

The unions asked that all Leading Hand allowances should be increased by 3 per cent.

There are a number of alternatives open to me which include the primary submission of the employers and that of the unions.

It seems to me however, that a practical and sensible solution to this issue has been found by the Industrial Commission of New South Wales, whose decision it seems to me could properly be followed by this Commission.

I propose to follow it so that, put shortly, Leading Hands under this award will receive an increase of 20 cents per week in their allowance. This will be so whether the base weekly award rate for any classification is above \$125 or not.

*Hearing Details*

1976.

Melbourne,

April 12-14, 21-23, 27-30,

May 4-6, 11-13, 28.

Moore *J.*,

Robinson *J.*,

Ludeke *J.*,

Isaac *D. P.*,

Arb. Taylor,

Commr Portus

June 10

Moore *J.*