

TASMANIAN INDUSTRIAL COMMISSION

Industrial Relations Act 1984

T No. 3069 of 1991

IN THE MATTER OF an application by the Tasmanian Confederation of Industries to vary all private sector awards and agreements re insertion of a new clause, Flexibility of Labour, and to review the Wage Fixation Principles in the light of the National Wage Case decision of the Australian Commission of 16 April 1991

FULL BENCH

PRESIDENT
DEPUTY PRESIDENT
COMMISSIONER WATLING

Hobart, 29 May 1991

TRANSCRIPT OF PROCEEDINGS

unedited

PRESIDENT: Thank you. Appearances please.

MR T.J. ABEY: If it please the commission, I appear for the following organisations: the Tasmanian Confederation of Industries; the Printing and Allied Trades Employers Federation; the Meat and Allied Trades Federation of Australia; the Australian Mines and Metals Association; the Metal Industry Association of Tasmania; and the Hop Producers Association of Tasmania, ABEY T.J., and with me appears **MR TERRY EDWARDS**.

PRESIDENT: Yes, thank you, Mr Abey.

MR K.J. RICE: If it please the commission, RICE K.J., I appear for the TFGA Industrial Association and the Retail Traders Association of Tasmania, sir.

PRESIDENT: Thank you, Mr Rice.

MR J.G. BLACKBURN: If it please the commission, BLACKBURN J.G., I appear on behalf of the Australian Road Transport Industrial Organisation, Tasmanian Branch, and the Tasmanian Chamber of Retailers.

PRESIDENT: Thank you, Mr Blackburn.

MR J.A. BACON: If the commission pleases, I appear on behalf of the Tasmanian Trades and Labor Council, BACON J.A., and as well, specifically, for the following unions: the Food Preservers Union of Australia, Tasmanian Branch; the Vehicle Builders Employees Federation of Australia, Victorian Branch; the Electrical Trades Union of Australia, Tasmanian Branch; and the Metals and Engineering Workers' Union.

PRESIDENT: Thank you, Mr Bacon.

MR C. WILLINGHAM: If it please the commission, CLIVE WILLINGHAM, pursuant to section 27. If the commission pleases, I will appear for the Minister for Employment and Industrial Relations and Training.

PRESIDENT: Thank you, Mr Willingham.

MR D.P. HANLON: HANLON D.P., I appear for the Minister administering the State Service.

PRESIDENT: Thank you, Mr Hanlon.

MR D.J. FRY: If the commission pleases, I appear on behalf of the Federated Clerks Union of Australia, Tasmanian Branch, FRY D.J., and with me is **MR GRUBB**.

PRESIDENT: Thank you, Mr Fry.

MR A.J. GRUBB: If the commission pleases, GRUBB A.J., on behalf of the Amalgamated Society of Carpenters and Joiners, Tasmanian Branch.

PRESIDENT: Mr Grubb.

MS D. MONCRIEFF: If the commission pleases, DIANE MONCRIEFF, for the Federated Engine Drivers' and Firemen's Association.

PRESIDENT: Thank you, Ms Moncrieff.

MR J.A. WILKINSON: If it please the commission, WILKINSON J., for the Australian Workers' Union.

PRESIDENT: Mr Wilkinson.

MR K. DANDO: If it please the commission, DANDO K., on behalf of the Miscellaneous Workers Union and the Clothing and Allied Trade Union.

PRESIDENT: Thank you, Mr Dando.

MR M. CLIFFORD: If the commission pleases, MARTIN CLIFFORD, appearing on behalf of the Building Workers' Industrial Union of Australia, Tasmanian Branch, the Operative Plasterers and Plaster Workers' Federation of Australia, Tasmanian Branch, the Australian Building Construction Employees' and Builders Labourers' Federation of Australia, Tas. Branch, and the Federated Furnishing Trade Society of Australia, Tas. Branch.

PRESIDENT: Thank you, Mr Clifford.

MR R.S. RANDALL: If it pleases the commission, RANDALL, RICKY STEPHEN, I appear on behalf of the Plumbers and Gasfitters Employees' Union.

PRESIDENT: Thanks, Mr Randall.

MR G. COOPER: If it please the commission, COOPER G., appearing for the ATAIU No.6, Tasmanian Branch.

PRESIDENT: Thank you, Mr Cooper.

MR B.J. HANSCH: If the commission pleases, HANSCH B.J., appearing for the Transport Workers' Union of Australia.

PRESIDENT: Thank you, Mr Hansch.

MR D. STRICKLAND: If it pleases the commission, STRICKLAND D., for the National Union of Workers.

PRESIDENT: Thank you, Mr Strickland.

MR J.E. SWALLOW: SWALLOW J.E., appearing for the AMIEU.

PRESIDENT: Yes, Mr Swallow.

MR P. GRIFFIN: If the commissioner pleases, I represent the Shop Distributive and Allied Employees' Association, Tasmanian Branch, GRIFFIN P.

PRESIDENT: Thank you, Mr Griffin.

MS G. CROTTY: If the commission pleases, it's GAIL CROTTY, appearing for the Health Services Union of Australia, Tasmania Branch No. 1, assisted by RICHARD WARWICK.

PRESIDENT: Thank you, Ms Crotty.

MR R. WARWICK: If the commission pleases, as well as assisting Ms Crotty in this matter I also seek to enter an appearance for the Australian Railways Union, Tasmania Branch.

PRESIDENT: Yes, thank you, Mr Warwick.

MRS E. SMYTH: If the commission pleases, ERIS SMYTH, appearing for the Federated Ironworkers' Association and the ATAEA.

PRESIDENT: Thank you, Mrs Smyth.

MS S. PAVLIC: If the commission pleases, SUSAN PAVLIC, appearing Australasian Society of Engineers.

PRESIDENT: Sorry, I missed your name then.

MS PAVLIC: Susan Pavlic, for the Australasian -

PRESIDENT: Yes, thank you.

MS PAVLIC: Australasian Society of Engineers, Tasmania.

PRESIDENT: Yes, thank you, Ms Pavlic.

MR S. WALSH: WALSH S., appearing on behalf of the Printing and Kindred Industries Union, Tasmanian Branch.

PRESIDENT: Thank you, Mr Walsh.

MS C. HUXTABLE: HUXTABLE CHRISTINE, appearing for the Federated Liquor and Allied Industries Employees' Union of Australia, Tasmanian branch.

COMMISSIONER WATLING: I'm not too sure we're getting that.

PRESIDENT: Yes, I don't think we're getting some of those last - it's a bit of a worry, the microphones won't pick up anybody beyond the first row. So people should come forward

to the microphone. I think we've got notes of most of the appearances, and Ms Huxtable was the last, I think. Yes. Now, any more -

MR P. NIELSEN: If the commission pleases, my name is NIELSEN, initials, P., the Bakery Employees' and Salesmens' Federation of Australia - Tasmanian Branch.

PRESIDENT: Thank you, Mr Nielsen, for the Bakery Employees.

MR P. BEVILACQUA: If the commission pleases, PETER BEVILACQUA, on behalf of the TCEEA.

PRESIDENT: Yes, thank you, Mr Bevilacqua. Everybody else given up? Thank you. Mr Abey?

MR ABEY: Thank you, Mr President and members of the bench. Our application is in two parts. The first part seeks to include a provision in awards whereby an employer may direct an employee to carry out such duties as are within the limits of the employee's skill, competency and training. That application goes to all private sector awards and agreements.

The second part is that we seek to review the wage fixing principles generally. I would emphasise at this stage that we are not seeking to establish a separate set of wage fixing principles for the private sector. Unless there are special circumstances, we consider it appropriate that this commission have a set of wage fixing principles which applies in both the public and private sector. It has not been brought to our attention that such special circumstances demanding a departure exist. As such, our application is for a general review of the principles as they apply to all awards of this commission.

PRESIDENT: So, you're proposing this as a test case for all state awards.

MR ABEY: Well, we're certainly not distinct - we're seeking a review of the principles. Clearly, our interest is in the private sector, but we're not seeking to establish, in our application, a separate set of principles for the private sector. Bear in mind that the wage fixing principles aren't award variations, and there is no actual provision in the act dealing with wage fixing principles as such.

PRESIDENT: You're asking us to put on notice every one - to every one that there will be - this will be a review of wage fixing principles for all in the state jurisdiction.

MR ABEY: Well, I think they should have been on notice for some considerable time, Mr President. Our application was quite specific that it sought a review of the wage fixing principles generally in the light of the recent national wage decision.

PRESIDENT: It did say 'generally', did it?

MR ABEY: Well it -

PRESIDENT: Well, I think it's probably fair to say a review of the wage fixing principles has some sort of general portent.

MR ABEY: That's exactly right. 'To review the wage fixing principles in the light of the national wage decision'. Now the wage fixing principles hereto have had application across all awards. All I'm saying is, we're not seeking to change that.

This application is unremarkable in its nature. At least in recent memory, there has been an expectation that national wage decisions of the Australian Commission would flow to state awards as a matter of course. It has been habitual for the TCI, when the Australian Commission or the federal commission handed down a national wage decision, that we would immediately issue a circular advising of that decision to our members. At the bottom of that circular, invariably, there would be a notation to the effect that we would expect a flow-on application to state awards to be processed in the very near future and we advise accordingly. We put that same notation on the circular that flowed from the decision on 19 April.

Any opposition to past TTLC applications for a flow-on has, at best, been token. From that it should not be assumed that the employers have agreed with every past decision of the Australian Commission. Some of them we have considered to be quite untenable. Indeed, in more discreet moments, we've used even stronger words. But employers have accepted -

PRESIDENT: Discreet with a double 'e', is it?

MR ABEY: Yes, with a double 'e'. But employers have accepted the notion that all sides have had the opportunity to put their case and the umpire has made a decision. Good and bad, employers - and indeed, the trade union movement and the government - have, to coin a strained phrase 'invariably copped it sweet'. On the face of it, nothing is different this time. We've had a decision of the Australian Commission on 16 April. The TCI issued a circular to our members anticipating a flow-on application and then we waited, and we waited, and nothing happened.

On 1 May, the ACTU convened a special unions' conference to sit in judgment on the national wage decision. Immediately following the ACTU - immediately following that conference, the ACTU issued statements publicly and apparently unanimously repudiating the decision and announcing that unions would pursue Accord Mark VI in the field. I haven't actually got a - been provided with a copy of the ACTU resolution, but we do have a document which emanated from the Transport Workers' Union within 24 hours, which I think quotes the resolution and I'd like to hand that up.

PRESIDENT: We'll mark that A.1.

MR ABEY: Now it's not unusual to receive a demand from the Transport Workers' Union fairly early in any campaign. I would, for the record, suggest that the TWU recognise that we haven't been the Chamber of Manufacturers for nearly 20 years, but that aside -

MR BACON: Nothing else has changed.

MR ABEY: - if I may quote from this TWU/ACTU Wage Claim. It says:

The ACTU Special Unions Conference unanimously rejected April 16th National Wage decision and recommended that affiliates proceed as follows.

And then it sets out the demands. And then it says:

In the event that no agreement can be reached on the orderly implementation of the above claims, affiliates should prosecute claims of their own choosing with an aggregate outcome no less than the current Accord package. In some cases a vigorous campaign will be necessary to secure a satisfactory outcome.

And then over the page we have the TWUs version of Accord Mark VI. It demands a wage increase of \$12 for all classifications, plus, an introduction of a payment for existing flexibility within awards of an interim amount of \$25 a week. Increase superannuation by \$8 per week initially, and then a further \$8 6 months after the first.

Now, I guess that set the pattern and since then there have been other demands made in accordance with Accord Mark VI. The TCI was not prepared to sit back and just see what happened.

On 9 May we convened a meeting of all registered employer organisations, a number of unregistered employer groups with substantial interest in state awards, together with a significant number of major employers - individual employers

with an interest in state awards. In all, over 80 invitations were issued for that meeting. That meeting unanimously -

PRESIDENT: Could you say how many attended?

MR ABEY: Yes, I can. From memory, I think there was some 40 in attendance and there was a number of people who were unable to attend who telephoned or wrote to us expressing their views of support. I might add that the number in attendance probably reflected a factor of 400 to 500 per cent on the normal number of people we would expect to a meeting of that nature. We've never had a meeting of that size to deal with a national wage application.

PRESIDENT: Did you invite more people this time than on previous occasions?

MR ABEY: Well, I think that's fair comment. We did, yes. We've also got a bigger meeting room, Mr President.

MR BACON: More car park.

MR ABEY: As I was saying, that meeting unanimously resolved that the TCI should lodge the application which is before you.

But for all that, as I say, the application is unremarkable. It is of note that similar applications have been lodged in South Australia, Queensland, Western Australia. Those applications are proceeding in two of those states tomorrow and in Queensland it commenced yesterday. I understand that there's already been proceedings in the New South Wales commission.

The Australian Commission has made a decision. There is an application to flow that decision into state awards. There is no counter-application before you. The only thing that has changed is that on this occasion, the application is not that of the TTLC. The only reason that we've lodged it is that we are anxious to ensure that some order is put into the industrial relations process, as distinct from the law of the jungle approach or what the ACTU euphemistically describes as 'a vigorous campaign to secure a satisfactory outcome' - quote, unquote.

Members of the bench, the last thing this country needs or for that matter Tasmania at the time when the deepest recession since the 1930s, is a mindless campaign of industrial action in industrially vulnerable industries in pursuit of an accord package which has been found to be demonstratively lacking when subject to independent assessment. At the same time, the industrially responsible union element will be left on the shelf whilst their militant brothers do their worst.

That is why we have lodged this application to maintain an element of order and equity - and I emphasise that word 'equity' - in the ongoing process of structural efficiency.

Our application in respect of a review of the wage fixing principles seeks what is largely a precise flow-on of the federal decision. At this stage, I would table our draft principles.

PRESIDENT: We'll mark this A.2.

MR ABEY: Apart from changing federal and state where they may occur, and reference to Tasmania, etc, - purely cosmetic changes - the only change of any substance from the Australian decision is under item 2 - Minimum Rates Adjustment, subsection (c) where we have said that: supplementary payments may be prescribed in the wages clauses of awards or in separate clauses -

'In separate clauses'. Now if you look at the federal description, it says that: supplementary payments shall be in a separate clause. To our mind, that is unnecessary and only creates confusion out in the work place in that employers have to go to - and look up the wages clause and then they find that they have to look at another clause to find out what they have to pay, and it just doesn't add anything to award regulations, so we've made it, essentially, optional.

COMMISSIONER WATLING: So, what if they sit alongside the base rate as they do in a number of awards in the Tasmanian Industrial Commission?

MR ABEY: Well, we -

COMMISSIONER WATLING: They don't have to go to another clause, do they?

MR ABEY: No, that's what we're saying. The federal decision says they have to be in a separate clause. To us that is a nonsense. I don't see why it has to be in a separate clause. It doesn't add anything to it.

COMMISSIONER WATLING: So, are you, on the other side of the coin, saying that you support the process of where they separately identified within the same clause?

MR ABEY: I - Yes, we believe that's preferable, but we're not ruling out putting in a separate clause if someone thinks that's a better idea. We just don't think it should be mandatory.

COMMISSIONER WATLING: Yes. I just wanted to clear that up because it could also mean that you were saying it's included

in one total rate and with no supplementary payment clause or no supplementary payment column.

MR ABEY: No, we're suggesting that supplementary payments should be separately identified, but not necessarily in a separate clause.

The reason that these principles are, for all intents and purposes, identical with the Australian decision, I don't propose to go through them.

We'd now seek to put the national wage decision of April 1991 in its proper perspective and enlarge on why we consider it should be adopted by this commission.

There are three essential elements in the national wage decision. The first one is the wage increase. The second one is the enterprise bargaining. And the third one is superannuation. I'd like to deal with those latter two aspects first.

Contrary to popular belief the Australian Commission has not rejected the concept of enterprise bargaining or increased superannuation benefits.

Dealing firstly with enterprise bargaining: The TCI happens to believe that a movement away from centralised wage determination towards a greater enterprise focus is both inevitable and largely desirable. The only question is the time frame and the rules, if any, which should accompany such a significant change in direction.

The Australian Commission was faced with an enormous dilemma. This aspect was discussed in great detail on pages 23 through to 39 of the April decision. It was characterised by an enormous diversion of views of the issue. At one extreme we had the Australian Federation of Business and Professional Women expressing outright opposition to enterprise bargaining in any form. At the other end we had the Australian Wool Selling Brokers who submitted that it was none of the commission's business in any event and it would occur independent of what the commission decided.

In between these extremes most parties expressed broad support for the concept but differed markedly on the means of implementation. The divergent issues included the following: how should productivity be measured and how should it be distributed; what is the relevance of profitability; should there be a ceiling; should agreements be ratified. Given the divergence of views it is not unreasonable that the commission reached the conclusion it did at page 39.

If I may take you to page 39 of the decision, in the second last para. it says:

It is important that any decision to adopt a particular form of enterprise bargaining be taken with a justified expectation of the system's being durable. Fundamental deficiencies in the system would, in all probability, cause industrial disputation and excessive wage outcomes, leading to the system's collapse. There are many large unresolved issues requiring careful attention and further debate. Some - perhaps most - of those issues have been identified in the course of this decision; but there may well be others. The parties and interveners need to clarify their ideas and objectives. It would be inappropriate to endorse any new form of enterprise bargaining until that is done. That conclusion prejudices neither the advisability nor the form of a system which lies beyond the limits of the wage fixation principles determined in this decision.

So, paraphrased, they're saying there is this diversion of issues. We've identified some of the problems, there may well be others. Because of these - this divergence of views we are not prepared to endorse it at this stage, but we certainly don't prejudge what may follow.

Now, if this was a 2 year decision the unions may rightly say, well, that's a rejection of the concept of enterprise bargaining. But it's not a 2 year decision.

If we go to page 63 of the decision, it says, the third last para.:

The amended principles are set out in Appendix A to this decision. They will continue in operation until reviewed. That review will commence on application and be finalised as soon as practicable after 1 November 1991.

So we're talking about a 6 month decision which is rapidly becoming 5 months. Given the - given the scope or given the range of difficulties that the bench identified, the divergence which the parties put forward, it is not unreasonable that they formed what they did, and that they suggest the parties work harder on this concept of enterprise bargaining and they can come back any time for a review, which they anticipate being concluded as soon as possible after 1 November - 5 months away.

Superannuation: Superannuation is in a similar position to enterprise bargaining. The ACTU claim is a simplistic conversion of existing 3% industry superannuation to 6% over

the next 2 years. The Commission, understandably, identified a number of major issues which needed to be addressed before proceeding down the path of converting 3% to 6% or to some other number.

Page 61 of the decision. At the bottom of page 61 the commission asked the Australian Government to convene a major national conference to explore these issues, these problems which it identified. The one being non-compliance. We all know the problems which exist about non-compliance. For the record, I would state categorically that the TCI has done a great deal to bring superannuation to the attention of employers and to actively encourage compliance. And that will continue. Indeed, it will continue on a tripartite basis in conjunction with the trade union movement and the relevant government authorities.

. the desirability or undesirability of additional award based superannuation for employees already covered by non-award schemes.

Simply put, when we go from three to six or to some other number what do we do with those employees who are already benefiting by company based schemes? That's a very live issue. Certainly far more significant on this round than it was on the last round. There are many company schemes out there in the field which are already paying of the order of 5, 6, 7 even 8% for employees and have done for many years. They have been faced with the additional 3% and it is a very real question about how those companies are going to fit into the scheme of things if industry based schemes are to be increased.

The application of superannuation to casual, part time and short term employees is another live issue. These issues were properly identified by the bench and they asked the Commonwealth to convene a conference so that they can all be thrashed out.

Back on page 61, the sort of third sentence or fourth sentence from the bottom, it says:

. we adjourn the hearing of this element of the unions' claims. It will be resumed on the application of any party to these proceedings.

The commission has not rejected increased superannuation. It has adjourned it for the reasons I've outlined and they can be brought back on on the application of any party. That's why it's important to get this national wage decision in context. It has not rejected enterprise bargaining, it has not rejected increased superannuation.

I turn now to the wages outcome. In dealing with the ACTU claim for Accord Mark VI the commission embarked on a most

comprehensive examination of the state of the national economy. Not surprisingly, the commission concluded that Australia was in the midst of a severe recession. Those conclusions are set out in graphic terms on page 16 of the decision. Again, I don't propose to labour through those points.

Later in our submission we will present material and argument to the effect that Tasmania has not escaped the recession and the commission's - the Australian Commission's conclusions apply equally in Tasmania as they do for the economy as a whole. The commission's conclusion on the quantum and form of any wage increase occur at pages 57 to 59 of the decision.

On page 58 they have this to say, the second last para.:

It is our opinion that a modest wage increase is desirable and, indeed, is vital to maintain the process of structural reform.

I emphasise those words 'maintain the process of structural reform'.

This opinion arises from our consideration of issues dealt with in this decision, as does our assessment of the appropriate order of increase.

The commission heard the arguments, it weighed up the economic circumstances, it had an appreciation of the industrial relations implications, it recognised the need to continue the process and perhaps it had to offer a bait. Having done that, it reached the conclusion that a 2.5% wage increase to be available on an award by award basis was appropriate.

For our part, we consider it to be probably excessive, given the state of the economy. But we recognise that the commission must weigh - yes, and I can hear the clowns in the back. They think it's hilarious that we've 10.8% unemployment. The commission, we recognise, has to weigh up other factors apart from economic considerations. If it was a pure economic decision they could only reach the conclusion that no increase would be justified. But weighing up these other factors, the industrial relations aspects, the ongoing nature of the process, they reached a conclusion that 2.5% was appropriate.

And whilst - whether we consider it excessive or not is immaterial, because we're prepared to live with that decision - as we invariably are. The terms upon which the increase is available are onerous and, indeed, many of the awards of this commission would probably be eligible for a 2.5% adjustment with little further amendment.

Perhaps the single element that is missing is the provision that an employer may direct an employee to carry out such duties as are within the limits of an employee's skill, competence and training. That is why our application seeks to include such a provision in awards. This is an essential but not onerous aspect of microeconomic reform. Simply put, it seeks to renew - to remove artificially imposed demarcation barriers which have plagued this country for decades and resulted in indefensible feather bedding.

The example -

COMMISSIONER WATLING: So can I just - can I just ask you then, in terms of the principles, you tendered exhibit A.2 to show us that (a) to (g) are the terms, are they?

MR ABEY: (a) to (g) are the terms, yes.

COMMISSIONER WATLING: Right. Now - so you're not seeking to include in the principles another point?

MR ABEY: No. It's - no, because if you look at point (e), our application it's precisely that.

COMMISSIONER WATLING: Right.

MR ABEY: Word for word.

COMMISSIONER WATLING: Right. Thank you.

MR ABEY: The examples of what we're talking about are, of course, well known. Why shouldn't a fitter do some welding if he's been trained and capable of doing it? Why shouldn't the fork lift driver get off his fork lift and assist in stores work or in process work if that's desirable? We're living in a fools paradise if we think that job security can be maintained or enhanced through the prehistoric notion of demarcation.

The only way job security can be enhanced is by making the enterprise more efficient, and hence the economy more efficient and more competitive. It does not matter greatly to us whether the commission grants our application and inserts into awards the provision we seek or, alternatively, adopt the provision of the Australian Commission and make it a prerequisite on an award by award basis.

I'd now like to turn to the question of ongoing commitment, and I come back to those words on page 58. And I start again:

It is our opinion that a modest wage increase is desirable and, indeed, is vital to maintain the process of structural reform.

The structural reform process is of an ongoing nature. It does not start and finish with the August '89 decision. The process began, arguably, with the second tier decision of 1987. The structural efficiency concept was introduced in August 1988 and really given some leg in the August '89 decision. The April '91 seeks to continue the process and we have no doubt that the next decision will also reinforce the process.

The point we make is that the process demands that the parties commit to the long haul, not simply walk away when the going gets a bit tough, as it appears that the unions are doing on this occasion. It would be appropriate at this stage if we reviewed the progress of structural efficiency in state awards. And to that effect, I would like to table an exhibit.

PRESIDENT: A.3.

MR ABEY: Now this particular document we've analysed, to the best of our ability, the private sector awards as to the progress of structural efficiency. We've excluded the - what you'd call the one company awards relating to, well, in particular, Pasminco, Emu Bay Railway, Wander etc, because they are in a separate category. And I think it's fair to say that the structural efficiency process in all those cases is well advanced.

Leaving aside those one company awards -

COMMISSIONER WATLING: What about those awards that have been made but the content hasn't been concluded?

MR ABEY: The -

COMMISSIONER WATLING: They've been made in terms of title and scope but not the contents. Example, the Fish Aquaculture and Marine Products Award. The shearing -

MR ABEY: Well, they're not included in this list.

COMMISSIONER WATLING: Right. Fair enough.

MR ABEY: I think the only one that is listed here that perhaps shouldn't be is the Community Services, and that's an award in that category, I think, which would bring the total number down from 72 to 71.

COMMISSIONER WATLING: Yes. And shearing and woolclassing not included?

MR ABEY: Yes, that's fair comment. Is that listed on this one?

COMMISSIONER WATLING: No. I'm not too sure whether it is or it isn't. I'm just asking the question.

MR ABEY: Sir, no, that's not included.

COMMISSIONER WATLING: Right.

MR ABEY: No. We've tried not to include those. It appears that we've made a mistake with Community Service, which brings the total from 71 to 70 - from 72 to 71.

COMMISSIONER WATLING: Right.

MR ABEY: In the scheme of things that's immaterial. Now on the four pages under the cover sheet we've analysed each award as to the - whether the second structural efficiency payment has been made, whether the MRA process has been commenced, whether there is a new classification structure. And we have notations to the side where - where there's been - where there's been developments at enterprise level or there's been an agreement which hasn't yet been processed.

Now, if we come to back to the cover page, so far as the second structural efficiency increase is concerned, 33 have been processed. If you include those which have been processed but are awaiting application, the number is 41. Now that's 41 out of 71. On the face of it, that's a so so performance; but bear in mind that all the major awards, or virtually all the major awards with the large number of employees are included in that 41. So in terms of employees it is a much higher figure than that.

The number of state awards that have had the minimum rates adjustment commenced is 10; four have passed the first, onto their second MRAs; and the number of state awards which have had new classifications and career structures is 15.

So what can we conclude from that? Clearly there's a lot to be done, but the process is working. There are benefits for all down the track, including such things as minimum rates adjustment and classification structures, career paths and enhanced training. Recently the parties to the Dentists Award were criticised, perhaps rightly, by Mr Commissioner Watling for not focusing on the ongoing process of classification structures and required training and concentrating on what you might call award based efficiencies in the award.

Perhaps I might say in our defence at this stage that if there is not the ongoing commitment to the process then employers are going to be very reluctant, in fact they won't wish to get involved in this ongoing and often costly process of enhanced career structures, minimum rates adjustments, enhanced training etc. Perhaps that is a reason why the employers in that particular award, and there have been others, haven't

advanced as far as Mr Commissioner Watling would have liked them to.

Having said that the process is working, clearly there is a lot more to be done. And perhaps the union movement may wish to ponder, when they see that some 40 per cent at least of the awards have not got the second structural efficiency adjustment, that the likely success of pursuing Accord Mark VI in the field may have.

Importantly, because the process is clearly incomplete a decision of this commission must come down which endorses the ongoing process, otherwise it is all for nought.

I turn now to the Tasmanian economy, which of course is relevant to section 36 of the act relating to public interest and, indeed, section 35(d) of the act. I would table a further exhibit.

PRESIDENT: A.4.

MR ABEY: This exhibit is titled 'Tasmanian Economy at a Glance'. It is a document prepared within the TCI from a number of sources which are identified. Coincidentally, they address, in a large part, the conclusions of the - the observations of the Australian Commission at page 16. That is purely coincidental because this document was prepared certainly before I re-read the April 1991 decision last night.

What we've attempted to do is, rather than weigh the commission with days of evidence on economic material, we've attempted to encapsulate the Tasmanian economy and show that the position in Tasmania is probably no worse than the other states, but no better, and that the recession hasn't escaped this island state. We haven't high spotted or low spotted, as will become apparent.

Now, if I may take the commission through these key indicators. Unemployment, the tragic indicator. In April 19 - April this year, unemployment in Tasmania was 10.8 per cent, the second highest in the country. We've always been about in that position, I suspect, but it's pretty small comfort that Tasmania is getting closer to the national average than it may have been in past years when you're talking about a figure of 10.8 per cent.

That figure becomes even more profound when you go to the next item, participation rate. Now the participation rate measures that proportion of the total population which is seeking, or actively seeking work. Now, the participation rates for Tasmania in January '91 was 61.1 per cent compared with 61.6 per cent in February 1990. So, in other words, there's been a decline. There's a body of people out there in the

community who 12 months ago were actively seeking work who have simply given up. It's too hard.

DEPUTY PRESIDENT: Is that full time work, Mr Abey, or part time?

MR ABEY: I think it's work of any sort. It's actively seeking work.

PRESIDENT: What does .5 of a per cent represent in numbers? Have you any idea?

MR ABEY: Well, to - well, it's not difficult to work out, because it's - perhaps if I can go on to the next item it becomes clearer. What we're saying is that over the past 12 months unemployment has increased at the same time the participation rate has dropped, so people have just given up and are no longer on the books. In the same period the Australian participation rate has marginally increased from 63.7 per cent to 63.8 per cent, so they've gone in the other direction.

Now, Tasmania is significantly below the national average so far as participation rate is concerned. And if, for example, Tasmania had the national participation rate the unemployment figures in Tasmania would be catastrophic. You will note that Western Australia, which currently has the highest unemployment rate, also has the highest participation rate of 65.7 per cent. So if you translate that across to Tasmania and applied Western Australia's figure it would be - I'm not sure where, but certainly into the mid

Now, the labour force, the next item. The total Tasmanian employed declined from 197,900 in January '90 to 195,600 in January '91. So that's a decline of some 3,500 in the total number of employed. Now, generally speaking, despite high levels of unemployment over the past 3 or 4 years, the total labour force has increased year in year out. That has been reversed in this last year.

And in fact it's even more dramatic when you note that employment peaked in September 1990 at 200,000. So the total number of employed has dropped by over 4,000 in the last 4 months, or the 4 months up to January.

Now, to come back to your question, Mr President, about what that represents in numbers, the total work force is around about 200,000 - .5 per cent of 200,00 is about 1,000 - or it is 1,000.

PRESIDENT: Pretty quick.

MR BACON: Pretty close to it anyway.

MR ABEY: Building approvals: Dwelling unit approvals declined by 4.6 per cent for the 12 months ended December 1990 compared with the previous 12 months. Fixed private capital expenditure: The percentage change for the 12 months ended December 1990 showed a decline of what should read 19.3 per cent - so that declined, it's not a double negative which makes a positive - compared with the Australian-wide decline of 3.5 per cent. Again, that's a very sobering statistic and puts us a long way behind in terms of capital investment.

The retail trade position is slightly more positive, but certainly nothing to get ecstatic about. In current value terms the December 1990 retail turnover was 4.8 per cent above the same month in December 1989. Its corresponding figure for Australia was 2.4 per cent. So retailers have done marginally better than the Australian average. Against that, in the same period, the CPI increased by 6.1 per cent. So in real terms there has been a decline in retail turnover.

In tourism, meaningful year on figures - 'year on year figures' are difficult to establish because of the air pilots' strike in 1989. However, it's fair to say that this is one area of the Tasmanian economy which is doing reasonably well and most of the indicators are reasonably positive.

Job vacancies in Tasmania fell by 50.9 per cent for the year ended February, 1991. The Australian decline for the same period was 61.4 per cent, so I guess you could take some comfort in that the vacancies haven't fallen by quite as much as they have Australia-wide but it's pretty cold comfort.

Overtime: Average weekly overtime hours per employee declined by 19.7 per cent for the year ended February, 1991. In the same period the Australia index fell by 13.5 per cent. Again we're above the national average in that.

Industrial disputes: a big tick. For the 12 months ended October 1990, Tasmania lost 64 working days per 1,000 employees. This was the lowest average of any state. The Australian average stood at 194 working days.

DEPUTY PRESIDENT: Is that people covered by state awards or federal awards or both?

MR ABEY: It doesn't distinguish, Mr Deputy President. The statistic or base that we prepared this summary from are identified at the bottom and it doesn't distinguish between state and federal awards but it's an encouraging figure wherever it comes from.

Now what do we conclude from that? As I say, we conclude no more that the Australian economy is in a recession and so is the Tasmanian economy. We are probably on a par with the

Australian average taking all things into account. We're probably doing better than Victoria - again that's cold comfort and we're doing worse than some other states.

PRESIDENT: Some private enterprise individuals, Mr Abey, have said that Tasmanian economy is doing reasonably well compared with other states.

MR ABEY: Well that's very true - I mean that's very true. Those same commentators have also invariably said that Tasmania invariably lags the other states and is slower to hit the depths of recession than the other states and is also slower to pull out. Unemployment invariably lags behind the depths of a recession and if we're at 10.8 now the scenario is that it's likely to get worse in the future because employers hang on to their employees for as long as possible. I won't even respond. I mean, it's a huge joke, but I don't find it funny. The number of phone calls that we're taking every day from employers who are in quite desperate circumstances literally trying to survive. If the union movement want to treat it as a joke so be it.

There is one other aspect of our statistical analysis that I'd like to take the commission to.

PRESIDENT: We'll mark this A.5. In this particular exhibit we've attempted to analyse movement into award rates of pay and the consumer price index and draw an analogy between the two. Now in the first two columns we've taken the CPI into the all groups figure - the first column deals with 1981 to March 1991, so it's a 10 year period or 11 year period and quickly down that list you will note that the CPI increase in Hobart is in fact the second lowest, second only to Darwin. It is some five or six points below the weighted average for the eight capital cities over that same period. Now if you take the period 1986-87 to March '89 a similar picture emerges in that Tasmania is again the second lowest rate of inflation and again the only one that beats, I think, is Darwin and there are some three and a bit - 3.3 percentage points difference in favour of Hobart compared with the national average.

Now if we come now to award rates of pay and movements in award rates of pay, and I hasten to add that we cannot deny that award rates of pay have not kept pace with inflation in recent years - that's an undeniable fact and we're not walking away from it or seeking to excuse ourselves from that. The question that we attempt to draw here is how close the award rates have kept with the inflation rate.

Now if you look at the award rates of pay - the movements since December '86 to March '91 you have Tasmania at 24.5 per cent. Now that's slightly above the Australian average - all the figures are set out. Now if you go to the final column

we've taken the difference between the CPI and the award wage. In other words, the lower that figure the closer Tasmanian award rates of pay have been kept to inflation. Now you will note that Tasmania - there's a differential of four percentage points. The weighted average is 7.5 and in Perth it's 9.5.

Now what we conclude from that is that taking in the combined effects of award movement and inflation, employees in Tasmania have done the best of any state over the last 4 or 5 years by a significant point. We're 3.1/2 percentage points ahead of the national average and we're 5.1/2 ahead of the worst scenario.

Now in our submission that gives us a head start on where we should be heading into the future. When you analyse it like that, the position in Tasmania is not as black as some of our trade union friends might like to suggest.

Mr President, members of the bench, the TCI application is the only one before you. You are not being asked to determine competing arguments between Accord Mark VI and our application. Hence, in our submission, the only clear options are to either grant our application or do nothing. If you adopt the do nothing approach, it will clearly signal that the structural reform process is at an end and we're back into the law of the jungle. Unless employers can be confident that the parties are committed to the long haul, then they should not be expected to sanction, for example, the minimum rates process or to develop career paths and to enhance training into the future.

In our submission, there is an overwhelming case to adopt the decision of the Australian Commission and to ensure that some form of some order and equity is maintained. If the commission pleases.

PRESIDENT: Yes, thank you, Mr Abey.

DEPUTY PRESIDENT: Mr Abey, if I could ask you this: to the best of your knowledge, are your members rejecting agreement to Accord Mark VI or not?

MR ABEY: To the best of my knowledge the answer is a very categoric yes. I personally don't know of any employer in this state who has agreed to Accord Mark VI. I'm not suggesting that there isn't one out there somewhere, I don't know who it is, and to my mind employers are rejecting the Accord Mark VI process.

DEPUTY PRESIDENT: I won't name names -

MR ABEY: Well, it's an honest answer. I don't know of -

DEPUTY PRESIDENT: No, no. Is there any significance in the fact that you've left off your exhibit A.3 some of the one company awards.

MR ABEY: No, I explained. I didn't leave off some of them, I left them all off. So -

DEPUTY PRESIDENT: Well, is there any significance in that fact in relation to the question I've asked concerning agreements to -

MR ABEY: Well -

DEPUTY PRESIDENT: - grant -

MR ABEY: - the reason -

DEPUTY PRESIDENT: - over award payments.

MR ABEY: Well, the reason I left them off is - or there's probably a number of reasons: (a) whilst the TCI is notionally party to those awards, we certainly don't drive them and the companies are masters of their own destiny. And candidly, without sort of making a major effort, we don't really know what the position is out in the field. Now, in the case of Wander and Ovaltine, as far as I know, there's been agreement on the second structural efficiency adjustment, but for whatever reasons it hasn't been processed - or it may have been processed, but as far as I know it hasn't.

I'm not really sure what Pasminco and some of the other companies are doing. I certainly know what Goliath Cement has done, they've granted the second structural efficiency payment and it's been ratified by the commission. But I haven't been selective, I've just excluded them all because they are in a separate camp.

DEPUTY PRESIDENT: As I understand it, your application is that we should vary agreements as well as private sector awards in relation to that particular clause that you'd like to go into all awards and agreements. The question is: can the commission arbitrarily interfere with an agreement?

MR ABEY: No, I don't think they can.

DEPUTY PRESIDENT: No. Except, obviously, where an agreement has got a -

MR ABEY: Facilitative -

DEPUTY PRESIDENT: - facilitative clause in it, yes.

MR ABEY: - clause, yes. No, I don't think they can. And, as I say, we're not fussed whether our application is granted

as to going into awards as a decision of this commission or you just make it a precondition as per the Australian Commission. But I accept your point.

DEPUTY PRESIDENT: What if the necessary commitment isn't forthcoming from unions covered by awards? What should the commission do then?

MR ABEY: Well, the first thing it should refrain from doing is grant benefits or deal with applications arising out of the old principles, in our submission.

DEPUTY PRESIDENT: Even -

MR ABEY: The bottom line is that the commission has to call it as it sees it and not be influenced on whether or not unions are going to like it. I mean, if we had the same option, that is to pay or not to pay, then I'm sympathetic to the unions' position - they can accept or reject. But we don't have that option, we have to accept it and, as such, we believe that there's a heavy onus to accept the umpire's decision.

Now, I don't believe it's appropriate to try and frame decisions to please everyone. You call them as you see it. Now, if the unions - if you make a decision which grants our application and the unions don't give a no extra claims commitment, then I guess we take it day by day.

DEPUTY PRESIDENT: Yes. Obviously the -

MR ABEY: I mean, if - candidly, if the unions don't give a commitment and don't do anything else we're quite relaxed about that too.

DEPUTY PRESIDENT: Yes. Well, obviously I think it would be acknowledged that the unions have given the necessary commitment up to this time.

MR ABEY: Yes.

DEPUTY PRESIDENT: In other words, in respect to the existing principles of this commission. And, as you would be aware, as your own exhibits illustrate, some awards have had the second structural efficiency increase and others haven't. Now, are you saying that if there's not a renewed and a continuing - continued commitment that we should not continue with applications for the second structural efficiency increase or the 38-hour week or any matter covered by the principles?

MR ABEY: Well, we've previously made a submission, which I accept is in a pure sense is an inconsistent submission, to the effect that there was an expectation that at least the second structural efficiency adjustment would fall from the

August '89 decision. And on that basis, purely in the interest of fairness and equity, the TCI was prepared to process claims up to that point, given that expectation.

Now, we also made the submission that given the global repudiation of the April decision by the ACTU, the commission should not go beyond that point in dealing with anything that invokes the ongoing commitment or what we've described today as the long haul. That submission stands. And if, coming to this situation, whereby we've put in an application and there is no counter-application, unless the unions are prepared to say, well, the commitment is ongoing to the old principles and not pursue additional claims, then you shouldn't deal with anything.

DEPUTY PRESIDENT: Including already declared special cases?

MR ABEY: The lot.

DEPUTY PRESIDENT: We'll shut the shop, virtually. If we -

MR ABEY: Well, it's not of our making, I'd have to say.

DEPUTY PRESIDENT: I'm only acting as the devil's advocate, as you'd appreciate. If we were to agree to what you've just said and we were fair dinkum, wouldn't it be logical to also take back either the 3 or the 6% or, in another instance, the \$15 etc, to take it back where the commitment has - where organisations have reneged on their commitment?

MR ABEY: It's not an unattractive proposition, Mr Deputy President. It's not something we advocate, purely because - for the reasons that we have no argument at all with the employees out there in the workplace. We haven't got any argument with them. Our argument is with their leadership, and I would not advocate that position because it would impact unfairly on the employees out there in the field.

DEPUTY PRESIDENT: Thank you for your answers.

PRESIDENT: Thank you. Mr Bacon or Mr Rice? I was waiting to see you leap to your feet.

MR RICE: Mr President, members of the bench, perhaps if I could first speak on behalf of the Retail Traders Association, sir. Yes, the Retail Traders Association represents the small to medium retailers of Tasmania. To say that times are extremely difficult for them across the retail sector would be an understatement. Sales increases have only been maintaining - the very best about inflationary, if we were to use the inflationary measure of 5%, while the costs themselves have risen dramatically, both in the cost of product, the indirect costs associated with running any business today, such as rates, power, insurance, advertising, land tax etc.

Many of these small businesses will suffer as a result of the rural downturn. As you would realise, if we use businesses in the Scottsdale, Campbell Town areas, along the coast and in other areas, rely heavily upon that. Sales in the rural community have - practically now non-existent. Most of these stores have been endeavouring over the past 12 months to maintain employment levels, hoping for the much touted recovery to eventuate. It hasn't eventuated at the present time.

Any additional impost at this time would have the capacity to dramatically affect employment levels in these stores. We cannot overemphasise that point enough. Jobs are seriously at risk. To be truthful we would much prefer a situation where no increase was granted at all. It would be disastrous if the vigorous campaign to secure Accord Mark VI was to proceed as this would seriously jeopardise the viability of the great majority of these businesses and therefore put at risk many jobs which are currently only hanging by a thread.

It is for these reasons that we fully support the TCI in their submissions to this bench, that they adopt the national wage - the decision of the National Wage Case of 16 April, if it please the commission, in respect of that matter.

If I can now turn, gentlemen, to the NTFGA Industrial Association, and the rural industries, we find ourselves in rather a difficult position, in even coming to this commission to say that we would like to have an increase implemented in our award. Normally we are vigorously opposed to any increase whatsoever. The federal commission, in their decision, and on page 17 - the last paragraph on page 17, it said - recognised: the state of rural industries. And when they said:

The state of rural industries is of concern both because of the hardships directly to it and because of its impact on the rest of the economy. Moreover, the deterioration of world markets for primary produce exacerbates the current account deficit. In so far as governmental policy is directed to reducing or eliminating the deficit, the fall in rural incomes must tend to sustain restrictive policies (such as high interest rates). The problems of the rural sector can only impede the recovery from the present recession, even if the causes of the two phenomena are distinct from each other.

Gentlemen, the full bench clearly recognised the plight of the rural industries, and I should say at this point, our submission to the National Wage Bench through the National Farmers Federation was such that they opposed, vehemently opposed the introduction of Accord Mark VI and sought a

moratorium on wages across the board for a period of at least 12 months.

Quite clearly the full bench in the national commission - the federal commission, as is evident from their decision, didn't grant the moratorium.

However, they did not grant Accord Mark VI - they saw a path in between that. Our national body has given qualified support to the federal decision which places us in a position of - in a very difficult position. Again we are - would much prefer and would advocate that no increase be granted at all at these - in these difficult times. However, we must recognise the realities of the situation - ie, there has been a federal decision, the NFF had supported that decision and approximately 75 per cent of Tasmanian rural workers are covered by federal awards and that is now open to them if they - if they so choose. Again we fully support the TCIs submissions that this commission adopt the federal decision of 16 April for a flow-on of - in this state case.

A little - if I can go a little further, gentlemen, much has been said and written about the plight of the rural industries - in particular the wool industry. With 95 per cent of wool producers covered by a federal award I believe that matter has been dealt with in another arena - the rise is available to them if their union so chooses. But let us look at the industries upon which from a decision of this commission would impact and I'll - if I may quote from the finances - a document put out by the Department of Primary Industry Agricultural Economics Branch, dated 21 March 1991 - I haven't spare copies but I can make them available to the full bench.

PRESIDENT: That's the federal department?

MR RICE: No, state department, sir. Financial conditions in the rural sector in Tasmania - and they give a brief overview to start with:

The export price of rural commodities generally have declined significantly since mid-1990. This is shown by the decline in the ABARE Rural Commodity Price Index shown below. Since mid-1990 this index has fallen 34 percent. During 1989-90 farmers' costs of inputs rose at a faster rate than the price received for their output. Farmers' terms of trade (the ratio of the prices received index to the prices paid index) fell by 15% over the last year, reflecting falls in the price of wool 13% and potatoes 45%. This deterioration can be expected to remain during 1990/91.

Vegetables and apples face deteriorated markets and the Dairy industry, due to developments overseas, faces uncertain product prices in 1991-92 and beyond.

Beef and lamb prices are not likely to show significant movements in 1990-91, and mutton prices are expected to remain low. Livestock prices in Tasmania are largely determined by export market conditions and the meat export market outlook appears uncertain during 1990-91.

It goes on:

Impact on the Tasmanian Economy

There will be a significant flow on effects of the reduction in the value of agricultural production. These effects will be felt as a general reduction in economic activity in Tasmania and an increase in unemployment.

Permanent, full-time employment in agriculture and related services (currently 14,200) peaked in 1988 and has remained rather steady since that time. Only a small decline has been seen so far. However, farmers have begun limiting employment of casual labour and have reduced employment of part-time staff as a result of the rural crisis. As the crisis continues it is expected that permanent, full-time employment will be at significant risk.

Service industries and rural supply firms are beginning to feel the effects of the rural crisis. Purchases are limited to essential items only.

It then gives a commodity - we go onto a commodity by commodity approach and it gives an outcome of wool which I've already mentioned. Then we move onto the dairy industry.

Buoyant conditions in the world market peaked in 1989. World prices for dairy products have since declined placing downward pressure on prices received by Tasmanian producers.

Most Tasmania Dairy Companies offered lower opening prices in 1990-91 than in 1989-90, with prices down 13.5%.

And this has been the case - there's been no increases given above that and there's not many - or any intended that we know of at this particular time.

DEPUTY PRESIDENT: But that's against a peak during 1989.

MR RICE: Well with respect, Mr Deputy President, there was a peak in 1989 but that - the dairy industry as such has been through over the last 5 or 6 years a total restructuring of that particular industry and while I can't give a qualified assurance that a peak is a total peak for the industry over - through its history it is a peak sense of a low time way back in 1983 and it had been gradually stabilising to that effect trying to attain world markets and with more single operation farms going out, again it caused a decline and farmers are generally now consolidated to a position of having bigger farms with more cows and economies of scale have settled in into that area. They've had a number of decreases in commodity prices and I would suggest that at this particular time it's only a peak over a 3 or 4 year period, but it has declined and looks like declining further with imports particularly from New Zealand through the CER arrangements that are in place.

DEPUTY PRESIDENT: Yes, but if - isn't the rural - aren't rural industries per se subject to all sorts of peaks and lows either through drought or through loss of market or through commodity prices and if they are cyclical isn't, for instance, the situation in relation to production of wool that Australia built up to a significant peak and that it was only a couple of years ago that the farmers were selling greater quantities of wool and getting peak prices and that they built up their flocks to such an extent that they had an oversupply of product which coincided with other countries competing, and there was the problem of overstocking in the wool sheds and then all of a sudden there was a crisis, but the point I'm making, isn't that from a peak and now we're getting to a low and won't prices and outcomes be cyclical again?

One would hope that they will be cyclical, and most people speak in a 7 years' - speak in a 7 year cycle for farming products. But we've seen declines that most of our members have not experienced in their lifetime of -

DEPUTY PRESIDENT: But hasn't there been an overproduction of wool, for instance -

MR RICE: Oh, wool is a good example -

DEPUTY PRESIDENT: - because it was a good thing to be in?

MR RICE: It was a good thing to be in. A very good thing in some instances.

DEPUTY PRESIDENT: Yes.

MR RICE: But to say that it was boom times would be - it wouldn't be correct, because it all depends how you look at

wool and the various ranges that go through wool. When you're looking at superfine, that had some magnificent times and still does.

DEPUTY PRESIDENT: Well, they - what's the best - what's the prominent breed in Tasmania?

MR RICE: Ah, well, if I may say so, sir, I was thinking superfine merino. We have some -

DEPUTY PRESIDENT: I asked the question.

MR RICE: It isn't superfine merino. You're looking at a - without going into the debate on that, the superfine is probably 17 micron or less and that would occupy a very small percentage of the Tasmanian flock. Most of them are in a broader wool of 20 -

DEPUTY PRESIDENT: Which state has got the world record price for superfine wool?

MR RICE: Tasmania. And very proudly.

DEPUTY PRESIDENT: Quite so.

MR RICE: Very proudly.

MR : Two bales, I think.

DEPUTY PRESIDENT: Thank you. Sorry to interrupt you.

MR RICE: The meat industry, beef. Beef has remained static for the past several years, it hasn't kept up with inflation it's just remained. This is just one of the bright lights on the horizon at the present time. As is fat lambs. Fat lamb prices remain static in real terms during '89-90. Mutton - mutton prices plunged some 80 per cent in real terms during '89-90 and have continued to do so.

The live sheep trade to the Middle East has been important to the market for older Tasmanian sheep and ram lambs. The trade has been non-existent for 12 months, largely to rejection problems in Saudi Arabia. These problems are not going to go away, they're there and whether - it is most doubtful whether the live sheep trade will get back off the ground again.

Vegetables is the one that really concerns us, is where the majority of - or dairying and vegetables are the ones where awards of commission will have the most impact. Vegetable producers are expected to experience a fall in income from vegetables of 20 to 50 per cent between the years 1989 and 1992. Potatoes, contracts by processors reduced by 20 per cent in 1990 and 1991, and there is limited demand for

fresh market potatoes. And some 40,000 tonnes of potatoes may be left in the ground or remain unharvested.

At present contract prices processing potatoes are the most profitable crop and represent 50 to 70 per cent of the vegetable growers' incomes and they are experiencing enormous - they are experiencing at the present time some cut of 20 per cent in costs - in price and 20 per cent in acreage is going to be offered.

Onions - onions again have dropped by 18 per cent in 1991. Green peas, again a 20 per cent drop in acreages and the prices offered. There is little optimism for any of the processing vegetables. The price - the outlook where wool has dominated the rural scene and the crisis in the wool industry, it's not the only thing there. There are other areas where there is enormous financial hardship being experienced by farmers and of course this will impact upon their employment and their ability to spend in other areas; to rural suppliers and with what they do on the farm.

With their source of funds drying up, this will have a domino effect in causing hardship in country towns which rely heavily on the farmer - farmer dollar to remain in business.

Members of the full bench, the situation in rural Australia, and in particular rural Tasmania, is extremely serious in economic terms. Coupled to that, and as you mentioned, Mr Deputy President, there are other factors that do come into it, cyclical and climatic factors. We are now experiencing a drought in Tasmania and have been now for some 12 months. And with three municipalities now declared drought and a number of others pending. So this will place further pressure and stress on the already overstressed situation.

DEPUTY PRESIDENT: But thankfully interest rates seem to be on the way down.

MR RICE: That's if you're in the position - as you may or may not know, when you're in a situation of - regarded by banking institutions or financial institutions now as high risk, you pay a severe premium on top of any interest rates or any borrowings that you do have. And that's something that the rural industries are facing and something that we are fighting on another front at these particular times.

As I said, we find it very difficult to support any increases but in this instance we support the flow-on of the federal decision and the TCIs applications. We cannot and will not support any claim to introduce Accord March VI into awards which cover rural employers. Should that happen we will have no alternative but to seek relief under the economic incapacity principles. If it please the commission.

PRESIDENT: Thank you, Mr Rice. Mr Blackburn.

MR BLACKBURN: If it please the full bench. The Tasmanian Chamber of Retailers and RTA fully support the submission made by Mr Abey. I should also state that it is a resolved position of the national RTA that it is essential that we remain within the existing industrial relations system. By that I mean, spelling it out, that the national wage case decision should flow on. We're quite happy to accept that. We wish to retain the umpire in the background as well. If the bench pleases.

PRESIDENT: Only in the background though, Mr Blackburn. Yes. Thank you. Mr Willingham.

MR WILLINGHAM: Mr President, members of the bench. Mr Blackburn's words are probably appropriate as a lead-in for our submission because the Tasmanian Government does not believe that the Tasmanian Industrial Commission should play a part in the background of the centralised wage fixation system. It believes it should be in the foreground of any such system as it has been in the past.

Mr Abey, in his opening remarks, Mr President and members of the bench, said that in many respects this was an unremarkable case, save for the fact that it was the confederation that was making the application for what is effectively a State Wage Case. There are a couple of distinctions which I think are obvious to most, that should be placed on the record, the first of which is that one part of the confederation's application does not seek to go to public sector awards.

Whilst there is no doubt that a reading of Mr Abey's application clearly affects all awards of this commission in relation to a review of the wage fixing principles, it is equally clear that a number of public sector unions may not have picked up that particular point or its significance, albeit that Mr Bacon may well be representing the interests of all public sector unions. It seems surprising to me, Mr President, that a number of public sector unions - major public sector unions are seemingly not in attendance at today's hearing.

COMMISSIONER WATLING: They were all notified, Mr Willingham.

MR WILLINGHAM: Be that as it may, Commissioner Watling -

COMMISSIONER WATLING: They know that it's on. They don't have to attend, but I suppose they stay away at their own peril.

MR WILLINGHAM: I would put a more charitable and more logical construction on it that perhaps the significance of

the confederation's application was not immediately apparent. However, whatever the reason may be, it is clear that the confederation's application goes to a review of the wage fixing principles, and indeed, one of their exhibits puts up their preferred set of principles, and if the commission were to adopt those principles, those principles would have effect in relation to all Tasmanian employees covered by awards of this commission.

For that reason alone, Mr President and members of the bench, my minister would have sought an adjournment of these proceedings so that he could be satisfied and ensure that all players in the system are aware of the significance of the proceedings before the bench.

PRESIDENT: How do we make that known?

MR WILLINGHAM: I would think, Mr President, members of the bench, not only through the commission as constituted, but through the offices of my minister and, indeed, through the offices of Mr Bacon and the Trades and Labor Council.

PRESIDENT: But we've gone through the process of notifying everybody in the system. They've all been apprised of the nature of the TCI application. They must be able to see that - and read the words which say 'review the wage fixing principles'.

MR WILLINGHAM: Well, I'm not suggesting for one moment that the commission itself has not observed the proper processes. Speaking for our part, it didn't occur to us that we may be a few runners short this morning, and I can't speak for Mr Bacon - but nevertheless, it doesn't in any way detract from my position which is that until we are confident that all players in the system have understood the significance of these proceedings, we would be uncomfortable about proceeding too far, and on that basis alone, as I was saying, we would seek an adjournment, although that would be of limited duration.

However, there are other reasons, Mr President and members of the bench, for which we would submit there are reasons for an adjournment of a longer duration.

There is no doubt that in the current industrial climate there is some uncertainty; there is confusion; there is certainly a vacuum while competing positions - between employees and employers, and indeed, within employees and employers - take place, are formulated, and materialise. There is a clear divergence of opinion in relation to the national wage decision of April 1991.

The Tasmanian Government believes, Mr President, members of the bench, that what is needed in Tasmania is a tripartite approach to wage fixation for this state. What is needed for

the applicant, the Confederation of Industries, the Trades and Labor Council representing the union movement and for the state government to come together and discuss in a tripartite fashion the issues that need to be resolved, the issues which separate the parties as well as those upon which the parties can agree.

And taking up the quote that Mr Abey used from the national wage decision to say that nothing is out of bounds, nothing is not possible, nothing is not capable of being brought to this commission for adoption to form the basis of a State Wage Case decision and State Wage Case principles. But that process has not yet begun. We have had some very informal discussions basically on the premise: is this possible for us to commence on this process with our colleagues from the Trades and Labor Council, and that is all that's been discussed. And all we have received is - well we really don't know what's possible until we see what it is you're suggesting and that is as far as it's gone.

What we have, Mr President and members of the bench, is a paper which is headed 'Discussion Paper'. I'd like to submit it as an exhibit if I may so that the bench as well as other parties may see what we have in mind.

DEPUTY PRESIDENT: Could I be clear, Mr Willingham, as to who has been involved in these discussions.

MR WILLINGHAM: No-one's been involved in any discussions - they haven't taken place yet, Mr Deputy President.

DEPUTY PRESIDENT: Oh, I see, thank you.

MR WILLINGHAM: The discussions - can I just repeat so that it's understood, is we have said we have this idea of a tripartite approach to a Tasmanian solution which may or may not be consistent with anyone else's solution: Are you prepared to sit down with us on the basis of set headings which are now before you, and we have received a yes from my friends on my right without in any way inhibiting, limiting or expressing views as to what their views might be in relation to those headings. The invitation is also extended to the confederation to read that document and join us for preliminary discussions.

PRESIDENT: We'll mark it W.1, Mr Willingham. And having regard to a previous matter there's no suggestion that this might be a 'without prejudice' document, is it?

MR WILLINGHAM: You know, it's strange I actually deleted those words off the top of the document before I came here, Mr President, because I thought you might -

MR BACON: You haven't really yourself -

MR WILLINGHAM: - you thought - I thought you might remember yesterday's proceedings and remind me of them.

MR BACON: Not much you might regret.

MR WILLINGHAM: And I was right, wasn't I?

PRESIDENT: Yes.

MR WILLINGHAM: It is an open document, or -

PRESIDENT: Yes, thank you.

MR WILLINGHAM: - it is now, Mr President, it was intended so to be.

PRESIDENT: Thank you.

MR WILLINGHAM: The headings I would have thought are relatively self-evident. They are the issues which the parties are going to have to discuss either in an opposed or an agreed position before any form of centralised wage fixation can be adopted by this commission, whether it's the view espoused by the confederation this morning or that by any other party, but it is at least conceivable, Mr President and members of the bench, that agreement could be reached on those issues on a tripartite basis and the resulting agreement could be brought before this commission for you to scrutinise, to test and to ratify hopefully in the public interest. That is the public interest of this state.

We don't walk away and we don't apologise for the fact that the government is attempting to seek a Tasmanian solution which is designed to cope with the needs of the parties in Tasmania - the Tasmanian community - certainly the Tasmanian Government as an employer, but it won't necessarily reflect the preferred positions in all cases of any particular party - it is literally that - an attempt at reaching a tripartite outcome. Whether it will be successful - whether it will be successful of course I cannot speak for.

We float the idea, we launch the idea with some optimism, some confidence. Whether our confidence and our optimism will prove to be well-founded or otherwise only the next few weeks will tell. Having said that, Mr President, members of the bench, we respectfully submit that, of course subject to hearing of the parties, that this matter be adjourned for perhaps a fortnight on the assumption that the other parties will accept our invitation to enable discussions to take place in relation to what we view as a quite significantly important document and a significantly important concept.

PRESIDENT: Point 17.2, the last one concerns me, Mr Willingham. What happens if the - in the event that there is a Tasmanian solution as it were to the current impasse - what happens if the Australian Industrial Relations Commission is minded to try and accept what we might agree in relation to awards which have coverage in this - say in the area of the Tasmanian public sector?

MR WILLINGHAM: Without going into too much detail, Mr President, we've obviously - that is, the government - has obviously given that some considerable thought. But I'd say firstly this, that if the Tasmanian Industrial Commission adopted a tripartite package as the basis for wage fixation in this state, we believe that would carry considerable influence with your colleagues in the Australian Industrial Relations Commission - that's point one.

Point 2 is that it is not beyond the realms of possibility that some other procedure following a successful State Wage Case could be adopted to cope with just those sorts of problems. But it is important to understand that irrespective of the coverage by jurisdiction we are looking at an outcome which is for all Tasmanian employees. It is absolutely imperative, in our view, that we cannot hive off those covered by the federal jurisdiction from those who are covered by this jurisdiction. It is simply another problem that we have to address and come up with some viable options.

We believe that it can be done. We believe central to the process of achieving it is the successful outcome of this State Wage Case.

DEPUTY PRESIDENT: Mr Willingham -

MR WILLINGHAM: We believe that's the launching platform.

DEPUTY PRESIDENT: Mr Willingham, how would your proposal involve private employers and sit with the submission of Mr Abey and other employer representatives have given us today?

MR WILLINGHAM: Well, it is - it is partially covered in point 2, Mr Deputy President, but as far as the initial process is concerned our invitation will be extended to the applicant - in this case, the confederation - and to the respondent representing most, if not all, unions - the Trades and Labor Council. It will then be for those parties, once having heard our initial proposals, to confer with their other registered employer-employee colleagues to determine what sort of representation, at what level and when they choose to introduce the process.

We, for the government's part, don't have fixed views. We have specified and pointed to, as best we can, and it is only a discussion document, Mr Deputy President, that we believe at

some stage or another everyone who has a legitimate position before this tribunal, will have to be involved. Now, at what level and over what period of time is dependent on other organisations. We have an open door and, hopefully, enough seats for those who want to join in.

DEPUTY PRESIDENT: Have you changed your situation that existed before the Australian national wage bench, where at page 7 of their decision, in the last paragraph, that decision says:

The ACTU claims were generally supported by the Commonwealth Government and the Governments of Victoria, Western Australia, South Australia, Tasmania and Queensland. The Government of Tasmania sought a date late in June 1991 for the \$12.00 claim and the absorption of the three per cent occupational superannuation where an employer's contribution is currently six per cent or more -

And so on.

MR WILLINGHAM: Well, until the indicated position is different from what was submitted to the national wage decision I won't resile from that submission. But I would make the point that a date later than that proposed by other major parties at the National Wage Case, plus substantial modification of the superannuation, does not, in my judgment, entitle our submission to being in general support of anyone's position in relation to the Commonwealth Government and the ACTU. But that's by the by.

Our position stands. It would be, I think, grossly improper of me, on behalf of the State Government and my minister, to make further comment in relation to the proposals that we would put before, what I hope would be, my colleagues, Mr Iles and Mr Bacon.

DEPUTY PRESIDENT: But we were told - this commission - sorry?

MR WILLINGHAM: I'm sorry, could I just finish?

DEPUTY PRESIDENT: Yes.

MR WILLINGHAM: Before those proposals have gone down. They may or may not be at variance with what we have put before the federal commission. But let's not overlook one thing, Mr Deputy President, that decision of April 1991 in the federal jurisdiction is currently substantially difficult to come to grips with. We don't know whether it will yet form the basis for wage fixation in this country, let alone this state. We don't know if eventually employers, as well as employees, are

going to be wedded to it, are going to be enmeshed within it. We don't know. There is a substantial vacuum.

The State Government's position - the State Government's position is that someone - someone, and responsibly it should be the government and that's why it's being done, should move to try to break the inertia. Move to do something. I'm not suggesting for one moment that my colleagues from the confederation have not done just that by their application. But we believe there is more potential for a lasting satisfactory outcome by the initiatives that we've outlined to you today, and that is why we're taking that path.

DEPUTY PRESIDENT: But aren't those whom you represent already committed? I can't - remind you that in the teachers full bench matter, I think of only last week, and I happen to be on that bench also, the Tasmanian Teachers Federation stood up and said that the Tasmanian Government had last year agreed to Accord Mark VI, so isn't there a problem if that is so?

MR WILLINGHAM: Well, I don't - I wasn't aware, without in any way intending to be disrespectful, Mr Deputy President, the Tasmanian Government spoke for the position of the Tasmanian Government.

MR : Teachers.

DEPUTY PRESIDENT: Yes, but you -

MR WILLINGHAM: I mean, if I took note of every inaccurate observation that the Tasmanian Teachers Federation had said in their special case we'd be here until Christmas time.

DEPUTY PRESIDENT: But that's a matter of some significance and you chose not to comment at that stage, and so did I because I intended to save it up until today.

MR WILLINGHAM: Well, I'm glad you did. I'm glad you did, Mr Deputy President, and when it's our turn to respond to the Teachers Federation in their special case I'm sure you'll ask me again, because I'm not going to answer it today either. It's -

DEPUTY PRESIDENT: Yes, but we're not just talking about the teachers today -

MR WILLINGHAM: No, indeed.

DEPUTY PRESIDENT: - or I suppose we are talking about the teachers -

MR WILLINGHAM: The position -

DEPUTY PRESIDENT: - and everybody else.

MR WILLINGHAM: I don't know that the relevance of the Tasmanian Government's position to Accord VI is really germane to these proceedings, given the initiative that we've put before you. But it is no secret that our position at the National Wage Case reflects, basically, the Tasmanian Government's then position in relation to Accord VI.

Now, it is there in black and white and we don't resile from the position as it was put then. That position may alter during the course of what we hope will be the commencement of these proceedings and the initiatives we've outlined to you. That's one of the things that needs to be done by all parties, is to recognise that we have impasse, recognise that we have an imminent collapse of a regulated industrial system in this state and see what we can do. It will involve changes of mind set and changes of position from all parties, if we're to reach a successful outcome. Now, that is all I can say on the matter, Mr Deputy President.

DEPUTY PRESIDENT: Well, the Teachers Federation said it and you heard it, and you haven't denied it today that you agreed to Accord Mark VI.

MR WILLINGHAM: I think I've already outlined -

MR BACON: I wished they'd told me.

MR WILLINGHAM: - my position to - well, thank you, Mr Bacon.

PRESIDENT: Mr Willingham, in the event that the current hiatus is, shall we say, corrected and there is another or a system in place which is different to what you're proposing here, what happens then?

MR WILLINGHAM: Well, one of the things that we have to cope with as we go through the - what I hope will be the next couple of weeks, Mr President, is just that eventuality. All these things have a capacity to influence the thinking of the parties around the negotiating table. I simply can't answer that question. We have a view which starts off and, hopefully, finishes with a system for Tasmania, for Tasmanian employers and employees, and in the interests of the Tasmanian community.

Of course that can be affected by major developments elsewhere. Of course it can. Either from the employers' perspective or the employees' perspective, or even the Tasmanian Government's perspective. If the commission pleases.

PRESIDENT: Yes, thank you, Mr Willingham. Mr Bacon?

MR BACON: Mr President, members of the bench, I really at this stage only wanted to respond to Mr Willingham's application. However, I should put on the record quite clearly that the TTLG and those unions that I represent specifically don't accept any of the submissions, in fact, made by Mr Abey or by the other employer representatives. And I should say that that is in relation to any matter that they put and not only to do with the national wage decision, which quite clearly we have different views on, but also the material and the views that they have put to you about the Tasmanian economy, are not views that we accept. And we certainly don't accept the conclusion that they draw from the facts as they see them.

So we will certainly be putting submissions at some stage before you in rebuttal of what's been put, and also are prepared to propose alternative steps that could be taken. However, I think that the position put by the State Government here this morning does give us an opportunity, if you like, to try and behave in what I think is more traditional Tasmanian way of behaving in relation to these matters than has been the case in the last few weeks.

We support the application for an adjournment, and Mr Willingham said a fortnight, I think, would be appropriate at least in the first instance. And I should say that if clarification is needed to put the public and private sectors on an equal footing, if it's necessary I would apply for an adjournment in relation to the private sector, if that was seen as necessary.

Certainly there has been uncertainty and confusion, both nationally following the National Wage Case decision and also in Tasmania, apart from anything else the issue of whether this application applies across all awards, as clearly the view of most parties, and I assume members of the bench from their questions, are that it does apply across all awards. It's quite clear that that was -

PRESIDENT: I think what we were saying, it would be difficult to have more than one set of principles.

MR BACON: Absolutely. We agree with that. And we're certainly not proposing that there should be two different sets of principles for the private and public sector. However, I don't think that it was clear from the application that it was to apply to all public sector awards. And without going to too much argument about it all, I think that ourselves and public sector unions could quite logically have concluded that it was in relation to private awards only.

However, we've heard what's been said this morning and we can accept that. That is, however, an example of the sort of

confusion and uncertainty that has existed. And I think that the approach that Mr Willingham has put forward of the government issuing an invitation, to not only the applicant in the proceedings but also to ourselves, to hold discussions and see what level of agreement can be reached around the discussion paper that's before you, I think is certainly the way that we should proceed.

I said at the outset that in a way that's the more traditional way of doing things in Tasmania. Certainly what Mr Abey said about his waiting and waiting for a TTLC application following the National Wage Case decision could have easily - or rather the period of his waiting could have certainly been shortened if he'd got on the phone and asked me if the TTLC was going to make an application.

I wouldn't initially have been able to answer him because, of course, the TTLC, as the state branch of the ACTU, was taking part in meetings and discussions with the ACTU and as well all the state registered organisations, many of which are state branches of federal unions, were also taking part in discussions and meetings internally within their unions about the situation. But once the special unions conference had been held and once the TTLC had convened a meeting of affiliates to consider the decision of the special unions conference, then he could have quite easily found out what we were doing by asking me.

And I think in the past it's most usual that the employers and employees, at least, and certainly on many occasions the State Government, as the largest employer in this state, as well have held discussions prior to State Wage Cases and on some occasions there has been some measure of agreement; on others no doubt there hasn't. But it has been usual to hold discussions to see if the objectives that we have in Tasmania can be satisfied.

So I think that it is the way to proceed and certainly the TTLC, and I would expect any unions that we don't specifically represent or unions that are not affiliated with the TTLC, would certainly be interested in the outcome of any discussions that were to take place with the government and the TCI. But we will accept the invitation and are prepared to take part in discussions and on the basis of that discussion paper and we would support Mr Willingham's application for an adjournment of at least a fortnight.

PRESIDENT: Yes, Mr Bacon. Mr Abey's made the point in his submissions to us that - and you've reiterated - the fact that there was concern about the hiatus and that there was concern about actions occurring which were outside the National Wage Case decision and, specifically relating to seeking Accord Mark VI conditions, what protection has Mr Abey got if we were to adjourn this matter?

MR BACON: Well we'd say that in relation to the only evidence that was presented to you of activity claiming Accord Mark VI in Tasmania, which was the Transport Workers' letter, that's what struck me about that was that in one significant way it is not the same as a normal claim that would be issued on employers with a demand for a response within so many days and, if you like, threats of dire consequences if the claim wasn't met. In fact, it requests a conference be arranged 'with representatives of your organisation at an early convenient date' because the union wishes to progress the claims.

I'm not trying to say that there aren't any claims but I would say that the threat, if you like, of industrial action is certainly not embodied in what's been put before you. And our view is that there is no reason why a union or groups of unions or all unions can't discuss matters like this with the relevant employers and certainly there's no secret that that's been going on. It's been in the national media and the Tasmanian media virtually every day of the week that people are considering these matters and are talking about them.

Certainly the TTLC would believe that if discussions are entered into - and we would do that with an open mind as to the outcome but certainly with strong feelings about what we would like to see come out of it. But then I think that we would certainly be recommending to our affiliates that industrial action should be not entered into while those discussions were taking place. And we would certainly be prepared to do that.

PRESIDENT: Yes, thank you, Mr Bacon. Thank you. I think it's round to you again, Mr Abey.

MR ABEY: Mr President, members of the bench, when we lodged our application some weeks ago we made it known to anyone who wanted to listen that we wanted it processed as quickly as possible. Had the government come along here today and said they wanted an adjournment for a fortnight to consider what we've put and then come back with a response, we would have strongly opposed that application. Had the government or the trade union movement come along and said: We want to talk about Accord Mark VI and we want an adjournment to allow that to occur, that would have been met with an emphatic and implacable 'No'. We would not be prepared to adjourn on that basis.

In the past few minutes I've read the outline of this discussion paper and it has some aspects - which I put it no higher - which leads one to the conclusion that it may be worth having a look at.

Those aspects are that it's a - apparently a Tasmanian solution - that's a new concept, that it's conditional upon ratification if any agreement was ever reached by the tribunals, and I use that in the plural. I note that the parties - well the parties are registered organisations, other employer groups and other industry employers - single industry employers - and I'd have to say that whilst I understand that the government has indicated that as the applicant it wants to outline its proposal to the TCI, I'd have to say categorically that if they have a proposal there are not only TCI members but there are other employer organisations in this state with a vital interest who would have to be involved in the process.

Now having said that, I put it no higher than we've got an open mind and that if we can get an undertaking from the Trades and Labor Council about an absence of industrial action pending discussions on this initiative, and in saying that I note that there's been some loose talk about a metal industry stoppage in the foreseeable future. If we could get an undertaking on that aspect, and as I say, we would be prepared to look at this proposal. I put it no higher than that; we've got an open mind and the moment anyone mentions Accord Mark VI we walk out the door.

On that basis, and I'd like to hear further from Mr Bacon on the industrial action aspect, we wouldn't oppose the application of the government.

PRESIDENT: Thank you, Mr Abey. Mr Rice.

MR RICE: No, I've got nothing to say, Mr President.

PRESIDENT: Do you care to respond to Mr Abey on that?

MR BACON: Well, Mr President, I don't know what more I can say in addition to what I said to you in answer to that question, but as I said the TTLC would certainly recommend very strongly to its affiliates that no industrial action was entered into in relation to these matters while the discussions are taking place.

However, the TTLC has never and is not now able to give an absolute guarantee to Mr Abey or anyone else that no industrial action will take place for a period. I have said that we are prepared to recommend it very strongly and I have said I would expect that that would be a position adopted by the unions. I mean, if he has any specific concerns and if he put those to me I may be able to respond.

MR ABEY: Well I've already put one. I'd have to say I accept the genuineness of that undertaking in the spirit in which it

was put. I guess all we could say is that we would reserve our rights to seek an urgent relisting if what is born from -

MR BACON: Which was the one we raised?

MR ABEY: I knew you were engaged in another conversation -

MR BACON : Sorry.

MR ABEY: My words were that there has been some loose talk about a stoppage in the metal industry in the foreseeable future -

MR : Right.

MR ABEY: - but, you know, having said that and reserving our rights to seek an urgent relisting if that undertaking is not honoured, and I know it will be honoured in Mr Bacon's part if it not honoured by his affiliates, then we accept what he's had to say.

MR BACON: Well, Mr President, I did anticipate this in relation to the metal industry and I'm informed by the secretary of the Metal and Engineering Workers' Union in that there is at this stage a national stoppage which is intended to take place from midnight on 12 June to midnight on 13 June, however he has also said to me that - and bearing in mind that it's not just the Metal and Engineering Workers' Union involved, it would be other unions involved in the metal industry, but he has said that - two things, one is that that stoppage is scheduled at the moment, that he is not - he's not saying it's definitely not going to take place but he said there is still discussions about it going on and there's the possibility it won't happen, and secondly he said if the TTLC was to recommend to them that Tasmania be exempt from that or Tasmania be put off to another day, or something of that nature, that they certainly would consider that seriously and that Tasmanian officials would raise that or pursue that with the national bodies of this group of unions, as I understand it, who have called for the stoppage, so I can say to Mr Abey that certainly there's a willingness on my part and on the part of that major union in that industry to do whatever can be done to ease his concerns.

PRESIDENT: Yes, well, thank you for that. We will adjourn until 2.15.

LUNCHEON ADJOURNMENT

PRESIDENT: Well, I shall read into transcript a - what will be issued later as a preliminary decision in this matter, in a formal sense. It goes in this manner:

We have considered the submissions made so far in these proceedings and we have reached the following conclusions in respect of two primary issues.

As we indicated during the proceedings we believe that it would be inappropriate for the commission to endeavour to apply more than one set of wage fixing principles, that is one set for the private sector and another set for the public sector. It follows that if any registered organisation wishes to have its point of view on the matter considered it should make an appearance in these proceedings for that purpose.

As to the request by the Minister of Employment, Industrial Relations and Training for an adjournment to enable a tripartite Tasmanian solution to be developed to overcome the current hiatus in the industrial relations processes, we are prepared, since there are no objections, to allow time for such a process to be thoroughly addressed. To that extent and without prejudice to the final outcome we are prepared to grant an adjournment of these proceedings.

We make it clear that in coming to this decision the most influential factor has been the response from the Secretary of the Tasmanian Trades and Labor Council that his organisation, to the extent that it is able, would recommend to all unions that no industrial action should be undertaken in support of the document known as Accord Mark VI.

This matter is now listed to recommence 10.30am on 24 June 1991. The following day will also be scheduled with further hearing days set down as required.

The matter is now adjourned.

HEARING ADJOURNED