IN THE TASMANIAN INDUSTRIAL COMMISSION

Industrial Relations Act 1984

T.1053 of 1987

IN THE MATTER OF AN APPLICATION BY THE TASMANIAN CONFEDERATION OF INDUSTRIES **TO VARY THE FERRO ALLOYS AWARD**

RE: SECOND TIER INCREASES

DEPUTY PRESIDENT A. ROBINSON **HOBART,** 1 December 1987

REASONS FOR DECISION

APPEARANCES:

For the Tasmanian Electro Metallurgical Co Pty Ltd	- Mr T.J. Abey with Mr K. Brotherson Mr G. Day Mr D. Reece Mr K. Payne and Mr S. Stratton
For the Transport Workers' Union of Australia	- Mr K.J. Bacon
For the Federated Ironworkers' Association of Australia, Tasmanian Branch	- Mr J. Glisson
For the Amalgamated Metal Workers' Union	- Mr P. Duffey with Mr S. Hawes
For the Federated Engine Drivers and Firemen's Association of Australasia, Tasmanian Branch	- Mr J.R. Challis with Mr C. Hinds and Mr M. Youd

For the Building Workers' Industrial Union of Australia (Tasmanian Branch) - Mr J.R. Challis

For the Electrical Trades Union of Australia, Tasmanian Branch - Mr R. Kearnes

DATE AND PLACE OF HEARING:

26 November 1987 Launceston

This application seeks to vary the Ferro Alloys Award by giving effect to a `second tier´ increase in wages and two designated allowances. The increases proposed represent 4% of all classification rates contained in subclauses 1 and 2 of Clause 8, rounded to the nearest 10 cents, with 5 cents being taken to 10 cents.

The amount of $17.60 contained in subclause 5 - Disability Allowance, Clause 8, to be increased to $18.30, and the amount of $1.94 contained in subclause 8 - Laundry and Protective Clothing Allowance, Clause 8, to be increased to $2.02.

Protracted negotiations involving all unions at the plant preceded the hearing, and the Commission was involved on two separate occasions in dispute hearings in matters associated with aspects of second tier negotiations (T.1003). In fact the dispute was finally settled upon the parties reaching an understanding that the question of `direct deposit of wages´ would be put to arbitration.

When the present matter commenced, the parties again sought to solve this key issue by conciliation. During these largely off record discussions a number of potential problems, foreseen by the AMWU and the BWIU, were addressed. Finally, the parties narrowed the problem areas down to one issue, i.e. the quantum

of a special allowance to offset Government charges of 4% on bank deposits and withdrawals, and agreed that this aspect be arbitrated by myself. Because of internal policies relating to second tier increases, the Transport Worker's Union had withdrawn from the hearing before this final stage was reached.

I heard argument on this issue and reserved decision.

The rest of the package was also addressed in detail and evidence was placed before the Commission concerning the details of offsets by way of changed work practices and efficiencies which had been found acceptable by the parties concerned.

Expanded details were also given of the cost savings involved through a Company witness and exhibits.

Exhibit A1, demonstrated that the estimated cost of the award variations will be $265,000 per annum. Offsets negotiated were, including direct deposit of wages, estimated at $265,986 per annum. Further items going to cost savings, under the heading of `items of nominal value', were not included but clearly would have a positive cost impact. On the other hand no allowance was made for the inclusion of payment of an allowance in respect of certain bank charges.

Decision

The proposal put forward for ratification represents an agreement to vary the award to the extent allowable within the second tier provisions of current wage fixation principles of this Commission. One particular item of relatively small monetary value which could not be agreed upon has been put forward to be arbitrated upon within the context of an agreed package. Since there is precedent for this type of approach in the Metal Industry Award decision of 1 September 1987 (Print G9048) I intend arbitrating the one non-agreed matter as part of the settlement of this matter.

It goes without saying that the implementation of the negotiated cost offset items and the arbitrated matter, together with wage and allowance increases, are mutually dependent upon each other. If one does not gain acceptance, then neither does the other. I therefore hold all parties to their commitments in this regard.

I turn firstly to the particular matter referred to me, i.e. an allowance to employees because of the cost of wages being directly deposited.

Certain amounts were claimed on a fairly notional basis and references made to what has or is being negotiated elsewhere. However, no precise basis was used to justify a particular figure. In addition, certain offers were made; again without any attempt to justify any formula going to what the amount proposed represented as a percentage of likely actual extra cost. It was pointed out that for some employees at least, who already use direct banking, no extra cost will be incurred as a result of the change overall.

Having regard to these factors, and in settlement of this dispute, I decide that an allowance - `direct deposit allowance´ - of 33 cents be paid to all employees whose wages are deposited into an account by the employer on their behalf as a flat weekly payment. Such an allowance is justifiable because it is cost related.

The balance of the claims are granted on the basis of:

1. Compliance with the Principles upon evidence of a genuine exercise, as part of the second tier provisions.

2. The cost of award increases equates with cost offsets in detail which is demonstrated as follows -

COST ANALYSIS

COST OF 4% WAGE INCREASE		$265,000
OFFSETS		
DIRECT DEPOSIT	40664.00	
LUBRICATION PROCEDURE	1901.00	
MOBILE EQUIPMENT MAINTENANCE	16915.00	
FITTER TO PERFORM CERTAIN BOILERMAKING TASKS	15573.00	
BOILERMAKERS TO USE DRILLS	2595.00	
ASSISTANCE TO FITTERS	6495.00	
RIGGING TASKS	9301.00	
ELECTRICAL MAINTENANCE	16084.00	
RELIEVING ON THE JOB) MAINTENANCE OF TAP HOLES) AND WELLS) TAPPING ON NO. 1 & 2) FURNACES)	108524.00	
CHANGING OF DRILL BITS AND RODS	32481.00	
MOBILE EQUIPMENT DRIVERS	15000.00	
TRANSPORT SECTION	453.00	
		265,986.

ITEMS OF NOMINAL VALUE

NO. 5 FURNACE INJECTION LANCE

WASTE WATCH COMMITTEE

PLANNING DEPARTMENT

3. Changes in duties and functions of employees are properly detailed and form part of a new, permanent, appendix to the award.

4. Changed work practices and efficiencies will be implemented concurrent with wage increases. The only exceptions are where additional training is required; but even so a maximum delay of about one month is all that is expected in these minority instances.

5. The package is consistant with the public interest criteria of the Act.

Operative Date

All variations will apply from the first pay period to commence on or after 1 December 1987.

An Order, incorporating the Award variations, will follow.

THE STAMP OF THE TASMANIAN INDUSTRIAL COMMISSION

A. Robinson
DEPUTY PRESIDENT