



Tasmanian Industrial Commission
Industrial Relations Act 1984

T No. **9262 of 2000**

IN THE MATTER OF an application by
the Australian Municipal,
Administrative, Clerical and Services
Union to vary the Community Services
Award

Re: Part IV - Allowances, Clause 6 -
Travelling and Motoring Expenses

DEPUTY PRESIDENT WATLING

HOBART, 21 NOVEMBER 2000

TRANSCRIPT OF PROCEEDINGS

Unedited

(WOULD PARTIES PLEASE READ THIS TRANSCRIPT CAREFULLY)
(ANY QUERIES SHOULD BE DIRECTED TO THE COMMISSION WITHIN 14 DAYS)

HEARING COMMENCED 2.35pm

DEPUTY PRESIDENT: I'll take appearances please.

5 **MR I. PATERSON:** If it pleases the commission, IAN PATERSON appearing for the Australian Municipal, Administrative, Clerical and Services Union.

DEPUTY PRESIDENT: Good. Thank you.

MR B. BISHOP: If the commission pleases, BRIAN BISHOP appearing for the Health Services Union of Australia, Tasmania No. 1 Branch.

10 DEPUTY PRESIDENT: Thanks, Mr Bishop.

MR M. WATSON: May it please the commission, MARK WATSON; I appear on behalf the Tasmanian Chamber of Commerce and Industry and with me is **NICK BEHRENS**.

15 DEPUTY PRESIDENT: Good. Thank you. Right, now, is this a consent matter?

MR PATERSON: Not at this stage, commissioner. There is an issue that has arisen in relation to the impact of GST and the extent - and a position put by the TCCI that there should be some consideration to discounting of the indexation on account of that.

20 We've had some very brief discussions on this. I would like to proceed to outline the application and present several documents and then perhaps adjourn into conference to see how the relevant point of difference may be addressed.

DEPUTY PRESIDENT: Good. Thank you.

25 MR PATERSON: If the commission pleases, this is an application to vary an expense-related allowance. The expense-related allowance was last varied in September of 1996. The first issue that I wish to draw the commission and the parties' attention to in the application is that on this occasion I have relied on the Weighted Up Average Eight Capital
30 Cities Index not the Hobart Index as previously used the last time these rates were varied.

35 The reason for that is that in the published and publicly available figures, the Hobart Index is no longer available so I've used the Weighted Average Eight Capital Cities Index for the two periods, the quarter ended September 1996 and September 2000. The movement in the relevant index over that period of time was 9.1 per cent which has the effect of increasing the allowances as identified in the application.

I'll provide to the commission and the parties the relevant excerpts from the publications. The portrait-oriented document with a '7' in the top left-hand corner is an extract from the September Quarter 2000, Australian Bureau of Statistics Consumer Price Index publication, reference number 6401.0. The landscape-oriented figure Table 7 is the same index for the September 1996 quarter.

DEPUTY PRESIDENT: We will mark the first document you described as **EXHIBIT P.1** and the second document as **EXHIBIT P.2**.

MR PATERSON: The movement that the union seeks to make in this application is in accordance with the State Wage Fixing principles, specifically the relevant principle for moving expense-related allowances which is principle 7.1 - Existing Allowances, 7.1.1 - relates to the reimbursement of expense allowances. That principle in previous decisions of the commission are the basis of this application.

For the information of the commission and the parties, I'll also provide the body of the Consumer Price Index released from the Australian Bureau of Statistics related to the September quarter key figures. This doesn't go into the same degree of detail. The transportation figure in this index is not the specific private motoring index relied on, but it does go to some of the questions and some of the issues that will be raised by Mr Watson, in particular on the second page there is a section of this document that refers to the impact of the new tax system on the CPI.

DEPUTY PRESIDENT: We will mark this **EXHIBIT P.3**.

MR PATERSON: And without pre-empting either the discussion or at the risk of misrepresenting the TCCI's position on this, one of the principal issues will be that of whether there is some element of double-dipping in moving an allowance by an amount which includes a GST component for which there may have been some compensation in a taxation package. The principal argument that I would advance in this respect is that the political assurances given were that GST wouldn't impact on petrol prices. My assumption from that is that it would be wrong to assume that the compensation packages, taxation or otherwise, in fact included any compensation for a measure of the increase in this case.

I will conclude my submissions at that point and make further submissions following the TCCI and following conference should we require it to address some of these issues. If the commission pleases.

DEPUTY PRESIDENT: Good. Thank you. Anything at this stage, Mr Watson?

MR WATSON: Is Mr Bishop making any submissions, deputy president?

DEPUTY PRESIDENT: I think Mr Paterson suggested that he just outline his application and then we go into conference.

MR WATSON: Okay, that's fine. Yes, okay. All right, well look, I'm happy to go down that path. I think the issue of the impact of GST is certainly something that we've raised - or I've raised today in discussions with Mr Paterson and I've actually forwarded a fairly comprehensive document to him as well and to the Health Services Union which supports the argument that we are running, but in discussions with Mr Paterson prior to the hearing we thought that it may be of assistance to go into conference perhaps to discuss the issues and I'm quite happy to do that now.

DEPUTY PRESIDENT: Good. Thank you. Well, we will do that. You'll get your go a little later, Mr Bishop may be.

INTO CONFERENCE 2.45pm

HEARING RESUMED 3.00pm

DEPUTY PRESIDENT: Mr Paterson, I understand you wish to amend your application.

MR PATERSON: If the commission pleases, the parties have developed a position which I will put to you; that the movement in this relevant allowance be for the period September 1996 to the end of the June quarter 2000. I seek leave to make the following amendments to the application. In the front page of Form 1 application, the actual rates will be as follows. The first rate - delete 52.6 and insert 51.4. The second rate - delete 59.6 and insert 56.2. The third rate - delete 61.4 and insert 60.0. The fourth rate - delete 64.2 and insert 62.8.

On the subsequent page where the basis of the calculations is attached, there will be a number of consequent variations, the first to the first mention of the index that is on the line that commences A [September], that will be A [June 2000] and the index is delete 133.0 and insert 130.0.

The percentage movement September quarter June 1996 to June quarter 2000 is then delete 9.1 and insert 6.6.

In the actual equations below that line, delete 1.091 wherever it occurs and insert 1.066 and the final rates are, as I mentioned, will be of course identical to those in the application itself.

In proposing this variation, the parties have agreed that this will limit the variation to a period of CPI indexation not affected by the new tax regime. That is no concession and no concession whatever to any position that we from a union point of view would adopt on any future claims in respect of discounting or otherwise for a GST. My prima facie position would be that there ought be no discounting. However, I agree

that that now following the amendment to this application, those issues become matters to be discussed at another time or in another matter.

5 Finally, I'd commend this application to you on the assumption that leave is granted to vary the application, that it's in accordance with the requirements of the Wage Fixing Principles and the *Industrial Relations Act* including the public interest requirements. If the commission pleases.

10 DEPUTY PRESIDENT: Good. Thank you. No objection to the application being amended?

MR WATSON: No, Mr Deputy President.

DEPUTY PRESIDENT: No objections.

MR PATERSON: The other matter just very briefly -

DEPUTY PRESIDENT: Leave is granted, Mr Paterson.

15 MR PATERSON: Thank you, commissioner - the operative date, I understand the parties have agreed that the operative date will be the first full pay period to commence on or after today's date.

DEPUTY PRESIDENT: Good. Thank you. Mr Bishop, have you any further submissions?

20 MR BISHOP: Commissioner, no.

DEPUTY PRESIDENT: And you support the application?

MR BISHOP: I do.

DEPUTY PRESIDENT: Good. Thank you. Mr Watson?

25 MR WATSON: Mr Deputy President, I can indicate that we have no objection to the amendment to the application as per Mr Paterson's verbal amendments. On the basis of the amendments the matter is a consent matter and we will consent to the application effective from the first full pay period on or after today's date.

30 Based on Mr Paterson's comments about not conceding that there should be any discounting, similarly we would put the submission to you obviously, but we still believe that that is an issue where there should be discounting, however we'll leave it at that and that submission would obviously be for another time and another day.

35 The application, we believe, is in accordance with the commission's Wage Fixing Principles and doesn't offend the public interest and we consent to the application.

DEPUTY PRESIDENT: Good. Thank you. Well, I can indicate to the parties the award will be varied in the manner sought and the operative date will be the first full pay period to commence on or after today and I'll hand down a written decision in due course.

- 5 The hearing is concluded, thank you.

HEARING CONCLUDED 3.05pm