

COMMISSIONER WATLING: I'll take appearances please.

**MR D. O'BYRNE:** If the commission pleases, I appear on behalf of the Australian Liquor, Hospitality and Miscellaneous Workers' Union, Tasmanian Branch, on both matters.

5 COMMISSIONER WATLING: Good, thank you.

**MR P. NOONAN:** If the commission pleases, I appear on behalf of the Shop, Distributive and Allied Employees Association, Tasmanian branch, NOONAN, P., on behalf of both matters.

COMMISSIONER WATLING: Good, thank you.

10 **MS J. THOMAS:** And JENNY THOMAS, from the Tasmanian Chamber of Commerce and Industry - both matters.

COMMISSIONER WATLING: Good. Thank you. Well who is reporting in?

MR O'BYRNE: I will start off -

COMMISSIONER WATLING: Mr O'Byrne.

15 MR O'BYRNE: - Mr Commissioner. When we were before you last we reported that -

COMMISSIONER WATLING: Well, we might start with the application then, seeing that we're dealing with both of them, just for the sake of record, we'll deal with application T.6258 of '96 first.

20 MR O'BYRNE: Okay. In regard to that matter - and I haven't got the notification from you, but I assume it's to do with the -

COMMISSIONER WATLING: The making of the Baking Industry Award.

25 MR O'BYRNE: - the Baking Industry Award - yes - I'm pleased to report that since we were before you last, negotiations have taken place and we believe we have an agreement and an agreed document to put forward to you today. Before I actually go to the document, I think it may be appropriate if we go into conference for a few seconds just to discuss a few minor drafting matters.

COMMISSIONER WATLING: Good. Right. Thank you, we'll go off the record.

#### **OFF THE RECORD**

30 MR O'BYRNE: Yes, commissioner, before you you have a document which we believe will entail and be the Baking Industry Award. I'll take you to the major features of the new award if that pleases the commission.

35 As per the structural efficiency issues since 1988, we've established skill related work paths, we have a clause - number 7 - Definition - actually goes to a fairly extensive classification structure from Bakery Employee Level 1 through to Level 7. I'll take you to the relativities and the minimum rates adjustment in a moment. Other features of the award, we have one of the major sticking points with the Bakers Award - its predecessor, was a confusion between the hours working on bread, working on pastry, and the difference between the two. We have attempted in  
40 this process to simplify the matter and I believe we have.

Clause 19 - Hours of work - I'll take you to that. It simplifies the hours clause, not by defining hours on what product use, is that there's one central set of hours which has provided to - well is proving to be very successful in the Wholesale Plant Bakers Award. On the Monday to Friday the normal hours are 3:00am to 8:00pm. All hours outside that incur a penalty of 25 per cent.

The weekend rates - on Saturday it will be time and one half - 50 per cent - and on Sunday we've split it into two areas: 75 per cent for Sunday work, provided that where the purpose of work on a Sunday is solely for the production of product for distribution and sale on Monday, the loading shall be 50 per cent for each hour worked. So we've continued on with the Bakers Award in that respect to give scope so that the hot bread shops et cetera that trade and bake Sunday for Sunday incur 75 per cent penalty, but the large pastry factories who work the Sunday for the Monday, they - it's a status quo from the Bakers Award - they are the time and a half - they're 50 per cent there, Mr Commissioner.

I have in front of me the - and I'd like to tender this as an exhibit - the minimum rates adjustment process.

COMMISSIONER WATLING: We'll mark this exhibit - I think this is the union's second - so we'll mark it B - A.2.

MR O'BYRNE: Thanks. As you can see, Mr Commissioner, we've set out the minimum rates adjustment process there. I'll take you to the initial one, which will be the November '96 payment as of today's date.

COMMISSIONER WATLING: So there's going to be three MRAs.

MR O'BYRNE: There will be three MRA processes and in the Wage Fixing Principles there are four. What we've done with this process is give two of those 50 per cent of the MRAs up front, another - and a 25 per cent in August '97 and 25 per cent in March 1988.

I'll actually take you to the way we've set it out there, Mr Commissioner. As you can see, we've established the base rate relativities in relation to each other. We have exhausted the base rate as you can see. We have the initial supplementary payment which will be - obviously the two - 50 per cent of the minimum rates adjustment process, and we also reflect there the three safety net adjustments of \$8 each, and thus, that will give you the weekly wage rate.

Those are the major - major features of the Baking Industry Award. Obviously the areas of contention in creating this new award was the classification structure and the - and the penalty rates and the minimum rates adjustment process. I believe I've covered those.

We also would like to point out that - that in the classification structure we have placed a packer level at Level 2, and what we've - what we've done is we've reserved the right at a later date to discuss the appropriate classification of that level at Level 2 at the completion of the minimum rates adjustment, so discussions in March '98 will take place on the appropriate level for a packer at that time. So that issue has been deferred to the completion of the minimum rates adjustment process.

In regard to the review of the Wage Fixing Principles .... we submit that we have satisfied all the guidelines in regard to the structural efficiency. We've established a skill related career path, we're eliminating impediments to multiskilling and broadening the range of tasks which a worker may be required to perform. We've created the appropriate relativities for ensuring that the work pattern arrangements enhance the flexibility and efficiency of the industry. We've included the minimum

rates adjustments and we've inserted facilitative provisions, consultative mechanisms and we've examined both award and non award matters to assess where the work classification and basic work patterns and arrangements are appropriate. We believe this award reflects those arrangements and we submit that we have satisfied all of the guidelines of the Wage Fixing Principles and that this award shall be in the public interest and we request that it have an operative date of today's date - the first full pay period on or after today's date.

Unless there are any further queries on the document -

COMMISSIONER WATLING: Right. Would the people - everyone know that the new award would be coming in because this is a significant change, isn't it?

MR O'BYRNE: It is a significant change.

COMMISSIONER WATLING: And given that I won't have the decision or the orders out today, do you think it might be appropriate? How are people going to know? They're going to be in breach of the award right from today.

MR O'BYRNE: Well, we've had extensive negotiations with our membership -

COMMISSIONER WATLING: Right.

MR O'BYRNE: - and there's been extensive negotiations through the TCCI and at every stage they've informed us that they have consulted with their membership, so from -

COMMISSIONER WATLING: Right.

MR O'BYRNE: - our position they're fully aware of the implementation date.

COMMISSIONER WATLING: Right. Good. Thank you. Mr Noonan, have you anything to add?

MR NOONAN: Yes, Mr Commissioner, we endorse the proposed award that's before you today. As far as sales assistants are concerned, I believe there's going to be a new document handed to you in relation to those -

COMMISSIONER WATLING: It's already with me, Mr Noonan.

MR NOONAN: Does that include the sales assistant?

COMMISSIONER WATLING: Yes, Mr Noonan, it -

MR NOONAN: It does? Right. Okay, I mistook what was said earlier on. In relation to the sales classifications, Mr Commissioner, that's satisfied our needs whereby the Grade 2 .... employee, would come in at Level 4 and then flow-on from there. The junior percentages would come in at Level 4 again and that would satisfy our needs with the percentages and the relativities as outline in the Retail Trades Award. That was our main concern but that's - we've been satisfied as far as that's concerned now, Mr Commissioner.

COMMISSIONER WATLING: How do the people on the job know what the translation is?

MR O'BYRNE: Well the process that I've outlined to our membership is that they will be informed initially by their management of where they will go to the new structure and the process will be of - in respect of our membership, making sure

that people have an understanding of the classification structure and we - and I have given to our membership an indicative translation document, and any arguments upon that will no doubt follow the consultative procedure that we've set out in the award.

5 COMMISSIONER WATLING: Do you think there's a need for some translation arrangement?

MR EDWARDS: Well, we're open to it.

10 COMMISSIONER WATLING: Yes. Well, I'm just thinking of the submission Mr Noonan made. How do people know where they're going to translate to in respect of those positions?

15 MS THOMAS: We found, in applying ourselves to that exercise, that in relation to some classifications, for example, the sales assistant classifications, we initially had trouble translating classifications that refer to year's of service to a skill related career structure and we have given our members an indicative document that sets out where we think the various classifications will lay but that will depend also on the skill levels held by the individual employees as well as the tasks they undertake.

COMMISSIONER WATLING: So, you don't see it as a problem?

MS THOMAS: Well, as Mr O'Byrne said, there may be some problems and that will be dealt with in the normal manner that all grievances are dealt with.

20 COMMISSIONER WATLING: Right. No further submissions, Mr Noonan?

MR NOONAN: Well, Mr Commissioner, just a point of clarification - you have before you A.2 -

COMMISSIONER WATLING: Right.

MR NOONAN: - in relation to the MRAs and the dates that they'll be coming in.

25 COMMISSIONER WATLING: Yes.

MR NOONAN: When I was referring to the principal document that you have there, about the award, I don't believe you have before you today -

COMMISSIONER WATLING: We might go off the record.

### **OFF THE RECORD**

30 COMMISSIONER WATLING: Ms Thomas?

35 MS THOMAS: Just before I launch into the main part of my submission, there is also one further aspect of the award which I'd like to draw your attention to. It occurs in the higher duties provision at clause 17, where we have agreed to insert a proviso that will ensure that employees are not regraded to the higher level if they are acting as relief for an employee who would be on workers' compensation or parental leave, and that will be on the basis that the employer regularly consults with the relief employee and advises wherever reasonably practicable the date upon which the period of relief employment is expected to end.

So, that is another feature of the award, we would like to draw to your attention.

40 COMMISSIONER WATLING: Right.

MS THOMAS: Mr Commissioner, as you would be aware, the negotiations concerning the restructuring of the Bakers Award have been progressed over many years and with particular intensity over the past 18 months. The first stage of that process culminated in the approval by you of the Wholesale Plant Bakeries Award in October of last year and it is with some sense of achievement that the parties now present for your approval an award which reflects the successful conclusion of the parties' present negotiations with respect to the balance of the baking industry.

We would ask that you endorse the agreement reached by the parties for a number of reasons. The agreement reached has been achieved through extensive consultation with our respective members across all aspects of the baking industry. The summary of the key elements of the package of agreed items, as outlined by Mr O'Byrne, reflect the particular needs and requirements of the industry as identified by our respective memberships.

The proposed award meets fully the requirements of the wage fixing principles. Each of the parties here today have made a number of compromises to reach the agreed position. This has largely been in recognition of the need to both introduce measures designed to improve the efficiency of the baking industry and enterprises within it and at the same time provide employees with access to a skill related career path which will act as an incentive for employees to improve their skills. These features of the parties' agreement are of course in accordance with the requirements of the structural efficiency principle, as set out in the commission's current wage fixing principles.

Finally, the proposed award meets the public interest requirements of the act, as set out in section 36 of the act. Whilst there are some initial short term costs associated with the introduction of the new classification structure and a subsequent minimum rates adjustment process, these must be considered in light of the flexibilities available under the award which will help to enhance increased efficiency and productivity at the enterprise level.

I would like to refer to some matters raised by Mr O'Byrne in his submissions. We acknowledge Mr O'Byrne's comments in relation to the Packer being at Level 2 presently in the award and acknowledge that Mr O'Byrne's union may seek to pursue that matter in the future. We acknowledge and agree with Mr O'Byrne's comments in relation to the minimum rates adjustment process, as set out in exhibit A.2. We consent to an operative date of the first full pay period to commence on or after today's date.

We note your concerns, Mr Commissioner, concerning this operative date but our members are indeed aware that the award will be coming into force and we will get advice out to them today.

I think that concludes my submissions. If it pleases the commission.

COMMISSIONER WATLING: Good. Thank you. Any further submissions? No further submissions? Well, I can indicate to the parties that I will hand down a written decision in due course with an order attached and it will be in favour of the application and the order will be in line with the agreement of the parties and the operative date will be from the first full pay period to commence on or after today.

So, that concludes this matter until such time as I hand down the written decision and the order.

**HEARING CONCLUDED**