

PRESIDENT: Could I have appearances please.

MR P. BAKER: Sir, I appear on behalf of the applicant organisation in both matters - P. BAKER.

PRESIDENT: Yes, thank you, Mr Baker.

5 **MR T. BENSON:** If the commission pleases, TONY BENSON, Construction, Forestry, Mining & Engineering, Tasmanian branch, sir.

PRESIDENT: Thank you, Mr Benson.

MS J. THOMAS: JENNY THOMAS, Tasmanian Chamber of Commerce and Industry Limited.

10 PRESIDENT: Thank you, Jenny Thomas. Mr Baker.

MR BAKER: Sir, in respect of these two matters that are before you today, I think perhaps it might be appropriate that we deal with the matters as two separate issues insofar as the matter is concerned as it relates to the calculation in respect of annual leave loading, that's the application which talks of replacing the minimum wage with a percentage figure, and that percentage figure is 0.6375 per cent of the tradespersons rate. I have had a discussion with Ms Thomas last week insofar as this application is concerned and she indicated to me that she felt that it may be appropriate if this application was in fact deferred until such time as the adult tradespersons rate in the award reaches the 100 per cent figure which we're aiming to achieve, and that in fact will be achieved with the next minimum rates adjustment in February of next year, I think it is.

At that point in time we would then seek to have this application relisted for hearing where it would be my proposal that the concept of the minimum wage as such would be for all intents and purposes deleted from the award in a percentage calculation be inserted in its place. And I would do so, sir, without getting into a formal argument today on the basis that I don't believe that the minimum wage really has any place in an award that has a career structure inserted into it. I think it's an anachronism that - that whilst it remains there.

The real issue of course, I suppose, of awards, sir, I suppose it's almost similar to seeking to insert issues like service pay into a career structure, so it would be our - our view that - that when the tradesperson in this award reaches the \$433.20 at the next minimum rates adjustment, we would then be seeking to have in fact the minimum rates - the minimum wage provision deleted, but that will be another - another exercise, but what we'll be looking at is to have a percentage figure incorporated into the award to replace the current minimum wage as far as annual leave loading is concerned.

PRESIDENT: Mm.

MR BAKER: But as far as this application is concerned, I would seek with the concurrence of the parties that the matter be adjourned until the award reaches - or the next minimum rates adjustment process takes place.

PRESIDENT: Would you want to join then at that time?

MR BAKER: I think that may be appropriate.

PRESIDENT: Would it be simpler then if we simply close this file or you withdraw it and you attend to it in your minimum - your -

MR BAKER: Yes.

PRESIDENT: - minimum rates adjustment application?

MR BAKER: I think that may be a more appropriate course of action.

PRESIDENT: It's just a thought.

5 MR BAKER: I think actually rather than - well, that's right, otherwise we leave the file -

PRESIDENT: Well it has the potential -

MR BAKER: - I suppose it's really -

PRESIDENT: - to get lost.

10 MR BAKER: Yes, well, I'm easy, sir. I mean I suppose it really depends on the administrative position that you find yourselves in - whether it's easier for me simply to put a note in to close the file -

PRESIDENT: Well, put it this way. I'll - I'll continue to raise it with you, but it's always possible that it will slip by because something else intervenes in dealing with
15 minimum wage - minimum rates. But anyway, I'll leave that to you; it's your application. I'll listen to the others as to what they think about that submission on T.6584.

MR BAKER: Yes. Insofar as the second matter is concerned - and that is the actual minimum wage itself is contained within the award, all we're doing there is
20 inserting the amount of \$273.40 to give effect to the \$8 Safety Net Adjustments which have occurred in this and is consistent with the application which was sought and approved in the Automotive Industries Award just recently where it was increased from 257.40 to 273.40.

PRESIDENT: Okay. Do you - do you want to go further with your submissions at
25 this stage or shall we hear from the other side?

MR BAKER: Oh, no, unless there's -

MS THOMAS: Operative date.

MR BAKER: Oh, the operative date would be the first pay period on or after today or date of decision - hopefully would be one and the same.

30 PRESIDENT: What's your - what's your - you put your submission to me.

MR BAKER: Well I'll put - my submission will be that the - it will - the operative date will be from the first pay - first full pay period on or after today and I'll pre-empt
35 Ms Thomas is going to say and as I've indicated earlier, I would hope that the day of decision and the operative date will be the first full pay period or be one and the same.

PRESIDENT: All right. Okay. Thank you, Mr Baker. Mr Benson.

MR BENSON: Mr President, the Construction, Forestry, Mining and Engineering Union, Tasmania Branch, supports those submissions.

PRESIDENT: Good. And what - do you have preferences to what we do with the annual leave application?

MR BENSON: And we support the position as put forward by Mr Baker in that respect.

5 PRESIDENT: No the - we had - we were having two bob each way there at one stage. It was either adjourned sine die or withdraw. Are you happy - what's your position? Adjourn sine die?

MR BENSON: whats-a-name - exactly the same as Mr Baker has decided to do.

PRESIDENT: Yes, all right. Ms Thomas.

10 MS THOMAS: Thank you, Mr President. With respect to application T.6578, which is an application to increase the minimum wage in the award by the first and second Safety Net Adjustment we can offer our consent to that application and from the first full pay period to commence on or after today's date.

15 In respect to the other application, I'm not able to foreshadow with any certainty what our ultimate position will be with respect to that application, but I think is wise for the minimum rates adjustment process to be completed before we look at any changes to the annual leave loading provisions. The parties will also have to address the question of the minimum wage as part of their calculation of the annual leave loading of dunnages that appears in clause 8(f). So obviously that perhaps
20 would be looked at in conjunction with Mr Baker's application.

PRESIDENT: In what - what subclause was that?

MS THOMAS: It's one - it's Division A, 1(f) - Dunnaging -

PRESIDENT: Mm.

25 MS THOMAS: - and then it's the last - in fact it's that last paragraph we reworded recently: In addition to the hourly rate prescribed herein - and then it talks about a disability payment and then an amount for annual leave loading calculated as follows. And the minimum wage is built into that formula.

PRESIDENT: Yes.

30 MS THOMAS: So to the extent that that particular reference in the award isn't included in Mr Baker's application in T.6584, it might be opportune perhaps for Mr Baker to withdraw that particular application and re-format a new application that will embrace both matters that need addressing. If it pleases. My only comments.

PRESIDENT: Yes, thanks, Ms Thomas. Mr Baker, what - have you got a view on that?

35 MR BAKER: Yes, I'd - as I - I'd forgotten about dunnaging again for the second time. When I spoke to Ms Thomas last week she's raised the issue of that and I indicated to her that it - that it is a cumbersome calculation. It's certainly an improvement on what was there. I think as far as the award is concerned, that perhaps if we have a look at this the next time that the minimum rates adjustment
40 process is calculated, it may be appropriate for us to calculate and insert a rate of money next to the calculation so that when people go to have a look and try to calculate how it's at, there is in fact a figure there already fallen and they don't have to get the calculator out and try and do it themselves. So -

PRESIDENT: Well, yes, it does put the responsibility on the parties then to properly update the money amount.

5 MR BAKER: Well it does, yes. Yes, to keep the money amount current, it would simply be done every time that there was an increase - or under my proposal, it would be - it would increase as the - as the adult wage increased.

PRESIDENT: Yes. Yes, all right. There being consent to application 6578 which is the application to increase the minimum wage by a factor resulting from the \$8, is it - that is \$16 increase isn't it - yes. So is there any - I'm thinking aloud here, is there a third \$8 to flow?

10 MR BAKER: There will be in due course, yes, sir.

PRESIDENT: When is that?

MR BAKER: Yes, it's September next year.

15 PRESIDENT: Oh, September, next year. Yes, okay. Yes, well given those facts, I can't see any reason why the consent application should not be approved with the effective date being the first full pay period to commence on or after today's date and an order will issue to that effect.

As to application 6584 -

20 MR BAKER: Perhaps if I may just intervene for a moment. I've given the matter some thought and it may be in fact appropriate if I withdraw this application and submit a fresh application when we move - or go to move the final MRA for the tradesmen's rates in - I think it's in February of next year.

PRESIDENT: Yes.

MR BAKER: In hindsight, I think that might be the way to go.

25 PRESIDENT: Yes. Well I don't think you'll get any objection from the parties, and certainly not from me on that, Mr Baker. Your application to withdraw is approved.

So that concludes the two matters before us today. Thank you very much.

HEARING CONCLUDED