

HEARING RECOMMENCED 10.30am

COMMISSIONER: Now I note the appearances are exactly the same as before, so who is to report, please?

5 MR BAKER: Thank you, commissioner. First of all there has been some discussions, in fact it was more than some discussions, there have been some considerable discussions between myself and Mr Flood concerning the reformatting of the award and to that end I've actually handed to your associate prior to the commencement of these proceedings and to the other parties a draft of those discussions.

- 10 10 The document is basically in two parts. There is the reformatting which has occurred and I suppose one might suggest that that was the straightforward part of the document.

The second issue is the issue of the classifications and the wages structure which appears currently in the award.

- 15 15 The discussions between Mr Flood and myself have resulted in a position being adopted whereby we intend to delete the existing wages clause as it's currently structured and replace it with an image of the federal Metal Industry Award - I use that shorthanded. It is of course the Metal Engineering and Associated Industries Award. And we do 20 that primarily for this reason: on 1 January next year, Tasmania with all the other states will be faced with a new national training package in the metal and engineering industry.

- 25 That training package was developed between the principal industrial parties together with the national ITAB and throughout the training package it makes numerous references to the classifications that are contained within the federal award.

- 30 Now it appears to us to avoid confusion that the state award should in fact mirror those classification levels, so when you have a look at the draft which has been presented to you, you will find that in fact the classification structure has been varied from 1 to 19 and, if you like, it's been inverted so that it will actually run from 14 back to 1, and the clerical structure which is found in this award and not found in the federal award has also been retained and there are various - and then there is a mechanism to deal with that.

- 35 35 The other issue that we have done is that we've actually updated the classification descriptors so they in fact mirror also the various changes that have occurred with both the national industrial situation and also with the national training area. For example, you will note in the document that the old title, for example, of associate diploma, will 40 disappear and will be replaced with what is now known as the national advanced diploma.

Now I did hope actually to be able to present to you, sir, today a document which is complete. Unfortunately, as I was explaining to my colleagues here before we started, we've been trying to put three computer systems together to produce one document and even though 5 people tell us these things are relatively simple, perhaps some of those who operate these systems may find it a little more complex.

On top of that I should also point out that we really haven't had an opportunity, that is any of us actually, of going back through the new document in its totality. So what I would propose as far as the 10 document is concerned is that subject to comments by yourself, sir, we would anticipate that we would have a completed new document to you by Friday - Monday at the latest - and we would propose an operative date of 1 December which would allow for the parties to read through the document, make sure that we haven't missed out a clause 15 or in fact we may have added a clause twice, make sure that we've got all the cross-references correct and we would move in that direction.

So, subject to the parties indicating to you their acceptance of the document, that is, that it's all one hundred per cent, we would suggest that that's the way we go.

20 Secondly, in relation to the apprenticeship matter, I've had further discussions with Mr Watson concerning that. On the last occasion we were before you, I did indicate to you that - in fact I think I offered a draft order - but I will resubmit that again and subject to any comments which Mr Watson intends to make I would also suggest that 25 the new apprenticeship structure and also the wage rates for unapprenticed juniors be incorporated into the new document with an effective date of 1 December and Mr Watson will make some comments in relation to the proposed operative date.

But somewhere here - I'm not sure what I've done with it - I do have a 30 draft order and together with an indication of how in fact the adjustment as far as the wage rates were arrived at.

I did actually provide this, on a lighter note, commissioner, to Mr Watson who had some difficulty in understanding the way in which I arrived at it. So I've redone it again and hopefully on this occasion it's 35 far clearer.

The draft order is as you see before you, sir. It's in two parts; engineering production juniors unapprenticed and apprentices and the wage rates - the current wage rates - in the award have been adjusted to reflect the calculations that are reflected on the first sheet that I've 40 presented to you which is headed Metal and Engineering Industry Award. And subject to my mathematics being correct, the various figures, for example, sir, the apprentice at the first year which is shown at 42%, that level has been increased by a margin of \$5.50, the second at \$7.20, the third at \$9.80 and the fourth at \$11.40.

And for the unapprenticed juniors, those figures have been increased by \$6.20, \$7.30, \$8.80 and \$10.40 and consistent with various comments that have been made in relation to this matter, we would submit that it's consistent with the Wage Fixing Principles as enunciated by this commission on more than one occasion in relation to supplementary payments. And subject to any comments by yourself, sir, I would conclude my comments at that point.

COMMISSIONER: Yes, thanks, Mr Baker. We'll call the exhibit Metal and Engineering Industry Award - just that simple one there - we'll call that **EXHIBIT B.4**. I think we'll get away with that.

And the other one - the next one - the one 'draft order' **EXHIBIT B.5**. Yes. Thanks, Mr Baker. Mr Flanagan?

MR FLANAGAN: Thank you, commissioner. Commissioner, we'd support the submissions put by Mr Baker in today's proceedings in its totality. We can indicate that we were invited to participate in the meeting which occurred recently to develop the draft award which was tabled before you and we support the way forward as proposed by Mr Baker. If it pleases the commission.

COMMISSIONER: Thanks. Now, Mr Watson, it's all on your shoulders.

MR WATSON: Thank you, commissioner. Commissioner, I don't have any issue with what Mr Baker's put to you this morning. That effectively is as per discussions we'd had prior to the hearing. The only issue for me is to in fact advise Mr Baker and Mr Flanagan officially that our members have accepted the new incorporation of supplementary payments which I have in fact recommended to the members but the time frame has been such that I don't have an answer today, but certainly I don't envisage that taking any more than, say, another week and if that is acceptable then the phased-in arrangements of the new supplementary payment as per Mr Baker's order, B.4, would be able to be incorporated into the new award, commissioner.

COMMISSIONER: Right. Now, so when you say you're confirming the supplementary payments acceptance but you've got no answer today, what's that in relation to?

MR WATSON: No, what that means is, that at the last hearing if you recall, Mr Baker said that he was going to get us some calculations with the new rates. He did that but it was, I suppose, not as clear as the documents that have been provided today.

40 COMMISSIONER: Right.

MR WATSON: So therefore Mr Baker and I chased each other for about a week trying to get the matter clarified. Once that had happened I was then clear on the position to put to the members.

COMMISSIONER: Right.

5 MR WATSON: But there hasn't been time to get confirmation today. I don't envisage any problems, commissioner, at all, but obviously it is subject to membership endorsement.

10 COMMISSIONER: Yes. Thanks, Mr Watson. And you're saying that the draft new award is also acceptable and it's going to be confirmed next time we meet, is that right?

15 MR WATSON: That's right, commissioner; this document has been the subject of discussions between Mr Flood from our Launceston office and Mr Baker, and I accept in good faith that this is the document that the two parties have negotiated and I guess it's just, you know, like all these things, being such a big document just subject to a final check to make sure that the document does reflect the discussions, but I accept that it does on face value, commissioner.

20 COMMISSIONER: Right. And does that mean that when we fix a date for hearing next - perhaps I should be asking Mr Baker this, Mr Watson, but I put it to you anyway and then we'll get around to Mr Baker - that it's possible that Mr Flood will be at the next hearing and tell me all about it, is that right?

MR WATSON: Well, if it's in Hobart I think I could probably report on the discussions from - get a briefing from Mr Flood.

25 COMMISSIONER: You'll know all about it will you, Mr Watson?

MR WATSON: Yes. Yes, commissioner, yes.

COMMISSIONER: Gosh. All right. Well, it's in your hands. Okay, all we need is a date, is that right?

MR WATSON: That's right, commissioner.

30 COMMISSIONER: Thanks, Mr Watson. Now, Mr Baker, before we get back to that, this B.4, I think I can follow it: 52 divided by 4 equals 13; 13 at a percentage of the tradesman's rate.

MR BAKER: Yes.

COMMISSIONER: 42 equals -

35 MR BAKER: So it's 42% of \$13.00 equals \$5.50 and if you multiply that by 4, that's 4 equal instalments for the supplementary payment -

COMMISSIONER: Oh, right, yes.

MR BAKER: - the total increase for the apprentice in the first year is \$22.00.

COMMISSIONER: Right. So you go through the others in the same way -

5 MR BAKER: In the same way.

COMMISSIONER: - so that then when we come to confirm this we'll be saying that the apprentice who is getting 42% will get \$5.50 once, another date twice, another date three, and another date four.

MR BAKER: Yes.

10 COMMISSIONER: And you will give me those dates?

MR BAKER: Yes. Yes, I can actually set this out in a proper table.

COMMISSIONER: Yes.

MR BAKER: Now whether or not either yourself or the parties may like to see that reflected in the award -

15 COMMISSIONER: No, if I can jump in there, Mr Baker, I don't think it's necessary. The award will be amended, because if I remember correctly and these things have been going on a long, long time, it's up to you each time the \$5.50 is due on a certain date to apply.

MR BAKER: Oh, that's quite correct. That's quite correct.

20 COMMISSIONER: Yes. So that we'll get that - if you wouldn't mind producing the whole layout, dates and amounts, as they occur and as they accumulate, so we've got one bit of paper that will go on the file and then it will be up to you as I say each time, but at least we know from the start what to expect as time goes by.

25 MR BAKER: Yes. Well, it's been my experience in the past that's the way we've tended to do it so that people can actually sort of see at the end of the day that's what it's going to be.

COMMISSIONER: Yes, well I agree with that, endorse it, confirm it, whatever is necessary because that's the one thing I always look for 30 when increase number two or three or four comes around, I go back to the old file and see what the original plan was so then we all know where we are. So that's excellent, Mr Baker. So are we now just looking for a date, are we?

MR BAKER: Well, yes. As I indicated to you, sir, we'd like to actually try and have an operative date of 1 December which would give a month for the document to be circulated prior to its - everything sort of

COMMISSIONER: You can't do that because it's 11 November now. But what about the 17th or the 18th - that's next week, or is that too soon?

MR WATSON: Too soon, yes.

5 MR BAKER: Yes.

COMMISSIONER: We'll go off the record thanks.

OFF RECORD 11.49am

ON RECORD 11.51am

10 COMMISSIONER: Thank you, gentlemen. As I said off the record in a paraphrased version, I look forward to this occurring at 10.00am on Friday, 26 November, and hopefully the parties will be able to explain to me fully what they've agreed and what they intend to do, and as I said earlier, as to the unapprenticed juniors and the apprentices or whatever it is, that there be a plan - written plan for that produced so 15 that we all know where we are with that.

20 And also, I don't know whether it's appropriate at this stage, as Mr Baker has indicated, that the full review will not be completed till next year but in some of these matters when the award has been reviewed, what has happened to the award is recorded in tabulated form at the back. That might help if it's not too much trouble.

Anything else, Mr Baker? Mr Flanagan?

MR FLANAGAN: No, commissioner.

COMMISSIONER: Mr Watson?

MR WATSON: No, commissioner, no.

25 COMMISSIONER: Thanks, for that, gentlemen. We'll adjourn now and resume, as I said, at 10.00am on the 26th.

HEARING ADJOURNED 10.53am