



TASMANIA

Tasmanian Industrial Commission

Industrial Relations Act 1984

T No. 9229 of 2000

IN THE MATTER OF an application by the Australian Liquor, Hospitality and Miscellaneous Workers Union - Tasmanian Branch to vary the Leather, Canvas and Sheet Plastic Fabrication Award

Re: to vary Clause 8 by deleting subclause 1 - Wage Rates, and inserting a new subclause 1 - Wage Rates and Classifications, to facilitate minimum rate adjustments

COMMISSIONER ABEY

HOBART, 7 February 2001
Continued from 18 December 2000

TRANSCRIPT OF PROCEEDINGS

Unedited

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

HEARING RECOMMENCED 9.35am

COMMISSIONER: There doesn't appear to be any changes in appearances. Mr Tullgren?

5 MR TULLGREN: No, commissioner, that's correct. Commissioner, you will be aware of correspondence I sent to the commission on 1 February indicating that this matter is by consent and attached to that was a proposed order. I notice this morning that there's one typographical error in the last column of the order - 3rd should read 4th - and what I'd seek to do is to tender a new proposed order which
10 reflects that change.

COMMISSIONER: Thank you.

MR TULLGREN: Apart from that, there are no other changes to the order that's been sent to the commission. I might indicate that prior to sending the order to the commission, I'd had discussion with my friend
15 and he'd indicated that he was happy with the order.

COMMISSIONER: Thank you.

MR TULLGREN: As I say, commissioner, this matter is by consent so I won't delay the commission particularly long, but there are a couple of matters I feel I need to address.

20 The application is made under section 23(1) of the Act to vary the award in relation to minimum rate adjustments.

The application is made under the terms of principle 2 of the current state wage principles which permits variations for minimum rate adjustments and we say that the application complies with the
25 principle.

The present award is of limited compass in that it has three classifications, two of these being the cutter and the sail maker are the higher skilled. The application seeks to vary the award to reflect as closely as is possible the minimum rate adjustments decisions of the
30 Australian Industrial Relations Commission which was made by her Honour, Senior Deputy President Marsh on 31 July 2000 in relation to the Saddlery, Leather, Canvas and Plastic Workers Award 1999, that being Print S8717, and I'd seek to tender a copy of that.

COMMISSIONER: **EXHIBIT A.1.**

35 MR TULLGREN: Commissioner, we aren't going to go in any detail to the decision however we ask the commission to note paragraph six on page 2 which sets out the basis of the application and in particular in relation to the adjustment of rates and classifications.

Paragraph seven on page 3 deals with the relationship to the Metal, Engineering and Associated Industries Award 1988 Part 1.

Paragraph eleven on page 4 shows that finding that the rates that are proposed in the application have been properly fixed.

- 5 On 9 August 2000, her Honour issued an order varying the Saddlery Award to reflect that decision and that was Print S8937 and I seek to tender a copy of that order.

COMMISSIONER: **EXHIBIT A.2.**

10 MR TULLGREN: The commission will note that clause 19.1.3(a) deals with rates for Tasmania. It is these rates which have been used in relation to the proposed variation of the Leather Award. We stress that the variation before the commission today is to reflect the federal decision.

15 We have sought to align the existing classifications in the Leather Award with the new classification structure in the Saddlery Award. In the case of the cutter and the sail maker this has been straightforward in that the old Saddlery Award classifications contained a sail maker classification and a number of cutter classifications.

20 In relation to the first classification in the Leather Award, it comprehends a number of functions which are encompassed by a number of classifications in the old Saddlery Award. The decision of her Honour, Senior Deputy President Marsh, converted the various skill and function based classifications in the old Saddlery Award, which were contained in thirteen groups each identified with a letter of
25 the alphabet, and put them into a new six level structure.

We have sought to apply the same level structure but based on three levels. In doing so, the sail maker, which under the Leather Award was the trade rate, now becomes the post trade rate equal to classification C9 in the Metal Industry Award, while the cutter rate, which was
30 below the trade rate in the Leather Award, now becomes the trade rate which is equal to the C10 rate in the Metal Industry Award. This is the major adjustment to the existing classification structure and these reflect the decision of Senior Deputy President Marsh.

35 Turning to the first classification in the Leather Award, we have to an extent had to create a hybrid because of the overlap in the old Saddlery Award which was task and time served based and as a result equals Level 3 in the decision of Senior Deputy President Marsh.

40 We say that this is not an exact science. Further, the proposed variation uses the classification descriptions adopted by her Honour, but noting that the proposed Level 1 in the Leather Award draws from Levels 1, 2 and 3 in the descriptors and is a hybrid and that the cutter

and sail maker reflect with minor amendments which do not alter the intent of the decision of her Honour.

5 In relation to the proposed rates, these are based on taking the current award rate in the Leather Award which we term the minimum rate and increasing them so that they equal the equivalent rate set by Senior Deputy President Marsh. In fact, the mathematical process of doing that was to simply subtract from the rate Senior Deputy President Marsh introduced - the current leather rate, divide that by four and then provide for four equal payments.

10 I must - and I said this to my friend - I always make the caveat in relation to any mathematical calculation - I ceased studying mathematics in fourth year at high school and then subsequently studied ancient history. My knowledge of ancient Greece and Rome is far greater than it is of mathematics, but my learned friend advises me
15 that he agrees that on this occasion my maths is correct.

The increases are to apply in four separate payments, the first applying from 1 January of this year and the last applying from 1 July 2002.

20 In concluding, commissioner, we say that our intent was to align the Leather Award as closely as possible within the new classification structure of the Saddlery Award bearing in mind the overlaps and the fact that in relation to the first classification in the Leather Award, there was no exact equivalent in the Saddlery Award, so we've had to create a hybrid.

25 Further, we say that our method is transparent and complies with the state Act and the wage principles and that the award should be varied in the terms of the draft order.

30 Commissioner, save for any questions that you might have about the order or my submissions, they'd be my respectful submissions in this matter.

COMMISSIONER: Thank you, Mr Tullgren. So at the end of the process there won't be any experience related progressions for that entry level, is that right?

MR TULLGREN: No, there will simply be -

35 COMMISSIONER: So the entry rate will be \$460.50?

MR TULLGREN: Yes.

COMMISSIONER: Which lines up with Level 3 in the Saddlery Award - is that correct?

MR TULLGREN: Yes, that's correct. That's correct - bearing in mind that for instance the Saddlery Award introduced an introductory level - that's the federal award introduced an introductory level and this award doesn't have that provision in it and is also, as I say, the overlap. The Saddlery Award - the old Saddlery Award covered a variety of areas from people making toys and bags out of kangaroo skin up to sail making and the making of leather products. It was both time and skill based and trying to navigate through all of the various classifications and the old descriptors and trying to align those at least in relation to the first classification in the Leather Award was somewhat difficult, so that's why we say it's not an exact science.

COMMISSIONER: One small point, as I understand it, it's the practice of this commission and others for weekly wage rates to be rounded to the nearest ten cents, well I notice you have adopted a high degree of precision to the nearest cent. Would you have any objection to rounding it to the nearest ten?

MR TULLGREN: No. In relation to the sail maker it was rounded to the nearest five, I think, because in the award of Senior Deputy President Marsh it comes out at that. The others have been done but I don't if my friend doesn't, but it was to make sure it was as consistent as possible.

COMMISSIONER: Yes, Mr Mazengarb?

MR MAZENGARB: Thank you, Mr Commissioner. Since we were last before you just before Christmas - 18 December - there have been a series of discussions and meetings between myself and Mr Tullgren and from the TCCI's perspective I can indicate that yes, this is a consent matter and we have no objection to the application as before you and the new order that's been put before you today by the union.

With regard to your query with regard to rounding up to ten cents, certainly from the TCCI's perspective we'd have no objection to that if that is the desire of the commission. If the commission pleases.

COMMISSIONER: Thank you, Mr Mazengarb. Well, certainly given the consent position I have no hesitation in indicating that I will endorse this agreement and an order will be issued subsequently to reflect the operative dates as agreed.

The term of the order will be settled administratively between the applicant, Mr Mazengarb, and my associate, but we will adopt the rounding to the nearest ten cents.

That being the case I indicate that the application will be endorsed and this commission stands adjourned.

HEARING CONCLUDED 9.46am