

IN THE AUSTRALIAN CONCILIATION AND ARBITRATION COMMISSION

Conciliation and Arbitration Act 1904

NATIONAL WAGE CASE APRIL 1984

In the matter of an application by The Amalgamated Metals Foundry and Shipwrights' Union to vary the

Metal Industry Award 1971¹

(C No. 2648 of 1984)

And in the matter of applications by The Federated Storemen and Packers Union of Australia to vary the

**Storemen and Packers (Skin, Hide, Wool and Produce Stores)
Award, 1979 — Part I (Victoria, South Australia, Tasmania and Albury)²**

(C No. 140 of 1984)

Storemen and Packers (Australian National Line) Award 1980³

(C No. 141 of 1984)

Storemen and Packers (Carbon Black) Award, 1979⁴

(C No. 142 of 1984)

Brushmaking Industry Consolidated Award 1979⁵

(C No. 143 of 1984)

Storemen and Packers (Wool Selling Brokers and Repackers) Award, 1973⁶

(C No. 144 of 1984)

Storemen and Packers (Grazcos Co-operative Limited) Award 1977⁷

(C No. 145 of 1984)

**Storemen and Packers (Skin and Hide Stores) Award (Victoria and
Tasmania) 1981⁸**

(C No. 146 of 1984)

Storemen and Packers (Bond and Free Stores) Award, 1973⁹

(C No. 147 of 1984)

Storemen and Packers (A.C.T.) Award 1973¹⁰

(C No. 148 of 1984)

The Australian Paint Industry (Storemen and Packers) Agreement 1976¹¹

(C No. 149 of 1984)

¹ Print D1611 [M039]; (1977) 191 CAR 598

³ Print E8686 [S027]; (1982) 270 CAR 227

⁵ Print E1992 [B010]; (1980) 236 CAR 636

⁷ Print D5627 [S106]; (1978) 200 CAR 171

⁹ Print C720 [S028]; (1974) 156 CAR 22

¹¹ Print D2454 [A117]; (1977) 186 CAR 699

² Print E1604 [S044]; (1979) 231 CAR 127

⁴ Print E226 [S030]; (1979) 223 CAR 864

⁶ Print C4733 [S049]; (1974) 160 CAR 998

⁸ Print E6213 [S071]; (1981) 255 CAR 709

¹⁰ Print C1661 [S073]; (1974) 158 CAR 645

a nevertheless argues that we should move on the unions' appeals to substitute a different answer. We are not prepared to do so. We agree that the Commissioner was entitled to reach the decision that he did and there is a string of authorities which says to speculate whether the appeal bench might have taken some other course of action is not relevant.

b As Mr Boulton for the ACTU has indicated, one option is that the matter be processed as an anomaly. Although we are constituted as a Full Bench the proceedings are by way of an appeal and it would be improper for us to proceed as if we were clothed with some general authority to act. Adherence to the anomalies procedure would seem to be an essential part of the centralised system of wage fixation endorsed by the ACTU. It is fortunate perhaps that adjustment to Tomago wage rates and allowances would not in any event be appropriate before 21 March 1984.

c We note with approval the Company's declaration that it accepts the applicability of any increase resulting from the reserved decision of the National Wage Bench.

d The appeals are dismissed.

Appearances:

K. Hodgkinson for The Federated Ironworkers' Association of Australia.

E. Lipscombe for The Amalgamated Metals Foundry and Shipwrights' Union.

R. Krajewski for the Electrical Trades Union of Australia.

G.J. Brack of Counsel and *L.M. Thomas* for Tomago Aluminium Company Pty Limited.

Intervener:

A. Boulton for the Australian Council of Trade Unions.

Dates and place of hearing:

1984.

Sydney:

February 29;

March 1, 26;

April 3.

International Duty Free Stores Award, 1980¹²

(C No. 150 of 1984)

Storemen and Packers (Container Depots) Award 1982¹³

(C No. 151 of 1984)

Storemen and Packers (Materials Handling - Brambles) Award 1976¹⁴

(C No. 152 of 1984)

And in the matter of an application by The Australian Textile Workers Union to vary the

Textile Industry Award, 1981¹⁵

(C No. 124 of 1984)

And in the matter of applications by The Manufacturing Grocers' Employees' Federation of Australia to vary the

Nabisco Pty Limited (Cereal and Biscuit Processing etc.) Award 1974¹⁶

(C No. 134 of 1984)

Manufacturing Grocers Award, 1982¹⁷

(C No. 135 of 1984)

And in the matter of an application by The Australian Boot Trade Employees Federation to vary

The Footwear — Manufacturing and Component — Industries Award, 1979¹⁸

(C No. 138 of 1984)

And in the matter of applications by The Australian Rope and Cordage Workers' Union to vary the

Rope, Cordage, Thread Etc. Industry Award, 1983¹⁹

(C No. 156 of 1984)

Rope, Cordage, Thread Etc. Industry Award, 1981²⁰

(C No. 157 of 1984)

And in the matter of applications by the Australian Railways Union to vary the

Salaried Officers' (Australian National Railways) Award, 1978²¹

(C No. 2635 of 1984)

Railways Traffic, Permanent Way and Signalling Wages Staff Award, 1960²²

(C No. 2636 of 1984)

¹² Print E5602 [I024]; (1981) 252 CAR 416¹⁴ Print D3001 [S039]; (1977) 193 CAR 423¹⁶ Print F0597 [N001]; (1982) 282 CAR 153¹⁷ Print F0598 [M003]; (1982) 282 CAR 287¹⁹ Print F4677 [R006]²¹ Print D6380 [S107]; (1978) 206 CAR 260¹⁵ Print F0363 [S100]; (1982) 285 CAR 781¹⁵ Print D358 [T007]; (1976) 182 CAR 297

[title change Print F0237; (1982) 280 CAR 570]

¹⁸ Print D8962 [F063]; (1979) 219 CAR 267²⁰ Print F0128 [R006]; (1982) 282 CAR 634²² Print D4475 [R014]; (1977) 195 CAR 508

The Railways Miscellaneous Grades Award²³

(C No. 2637 of 1984)

Railways Metal Trades Grades Award 1953²⁴

(C No. 2638 of 1984)

**The Traffic Operating, Workshops and Miscellaneous Grades
(Australian National Railways) Award, 1978²⁵**

(C No. 2639 of 1984)

Railways Salaried Officers Award, 1960²⁶

(C No. 2640 of 1984)

Salaried Officers' Award, 1955, Department of Railways, New South Wales²⁷

(C No. 2641 of 1984)

And in the matter of an application by The Association of Professional Engineers,
Australia to vary the

Metal Industry Award 1971 — Part III — Professional Engineers²⁸

(C No. 130 of 1984)

And in the matter of an application by the Woolclassers' Association of Australia to
vary the

Woolclassers and Shearing Staff Employees (Roping-in No. 1) Award 1969²⁹**Woolclassers and Shearing Staff Employees Award, 1969, Queensland³⁰**

(C No. 131 of 1984)

And in the matter of applications by The Gas Industry Salaried Officers
Federation to vary the

**Gas Industry Salaried Officers (Gas and Fuel Corporation of Victoria)
Agreement 1952³¹**

(C No. 2624 of 1984)

**Gas Industry Salaried Officers (South Australian Gas Co.)
Agreement, 1981³²**

(C No. 2625 of 1984)

**Gas Industry Salaried Officers (A.G.L. Co., North Shore Gas Company
and Others) Agreement 1976³³**

(C No. 2626 of 1984)

²³ Print C2984 [R010]; (1975) 170 CAR 838²⁵ Print D6570 [T103]; (1978) 206 CAR 484²⁷ Print B4442 [S052]; (1969) 128 CAR 769²⁹ Prints A7035 and A7036 [W006]; (1959) 92 CAR³⁰ Print B4691 [W006]; (1969) 127 CAR 948³² Print E7721 [G018]; (1981) 263 CAR 503²⁴ Print B6340 [R009]; (1971) 138 CAR 409²⁶ Print B7349 [R013]; (1972) 146 CAR 693²⁸ Print C1744 [M042]; (1974) 163 CAR 388³¹ [title change Print B4691; (1969) 127 CAR 948]³¹ Print E7936 [G016]; (1981) 265 CAR 96³³ Print E7869 [G012]; (1981) 264 CAR 793

**Gas Industry Salaried Officers (Allgas Energy Ltd., Brisbane Gas Company
and Others) Award 1979³⁴**

(C No. 2627 of 1984)

in relation to wage rates

SIR JOHN MOORE, PRESIDENT
MR JUSTICE WILLIAMS
MR DEPUTY PRESIDENT ISAAC
MR JUSTICE MADDERN
JUSTICE COHEN
MR COMMISSIONER HASTINGS

MELBOURNE, 4 APRIL 1984

REASONS FOR DECISION

On 23 September 1983, the Commission announced a return to a centralized system of wage fixation based on a comprehensive set of principles to deal with claims for pay and conditions.

d The claims before us concern the application of Principle 1, National Wage Adjustments:

“(a) Subject to Principle 3, the Commission will adjust its award wages and salaries every six months in relation to the last two quarterly movements of the eight-capitals CPI unless it is persuaded to the contrary by those seeking to oppose the adjustment.

e (b) For this purpose the Commission will sit in February and August following the publication of the CPI for the December and June quarters respectively.

(c) The form of indexation will be uniform percentage adjustment unless the Commission decides otherwise in the light of exceptional circumstances. It is to be understood that any compression of relativities which may have occurred in recent times does not provide grounds for special wage increases to correct the compression.

f (d) It would be appropriate for the Commission, after hearing the parties to an award and being satisfied that a proper case has been made out, to recommend the indexation of overaward payments when award payments are indexed.”³⁵

g Specifically, the claims relate to the movements in the eight-capitals Consumer Price Index (CPI) for the September and December 1983 quarters of 1.6% and 2.4% respectively, amounting to a compounded increase for the six months of 4.1%.

h The claims were supported by the Commonwealth, New South Wales, Victoria, South Australia, Western Australia, The State Public Services Federation and the Australian Public Services Federation. They were opposed by employers represented by the Confederation of Australian Industry (CAI), the Business Council of Australia, the Australian Retailers Association, Australian Mines and Metals Association, the National Farmers Federation, the Australian Wool Selling Brokers Employers Federation and the Australian Chamber of Commerce; and by Tasmania and the Northern Territory. The claims were partly opposed by *j* Queensland.

THE ECONOMY

k The economy was central to the submissions for and against the claims. As in the proceedings leading to the decision of 23 September 1983, there was broad

³⁴ Print E1691 [G017]; (1977) 232 CAR 69

³⁵ Print F2900, p.49; (1983) 291 CAR 3 at 51

agreement on the state of the economy. The "tentative" signs of recovery noted by the Commission in that decision have been confirmed and some have strengthened. The following indicators, some of which are recorded in the Appendix, bear this out.

- The levelling out of the unemployment rate in the middle of 1983 has given way to a fall — from 10.3% in June 1983 to 9.4% in February 1984. *a*
- In the same period, the level of civilian employment has risen by 1.8%. *b*
- The number of job vacancies has risen over the period from December 1982 to December 1983.
- Although the CPI for the December quarter 1983 is up on the previous quarter, it is the smallest December quarter increase since 1980 and among the smallest for the period 1973-83. On the basis of the corresponding quarter of the year before, the inflation rate has continued its downward path. *c*
- Both Farm and Non-Farm Gross Domestic Product grew strongly in the September quarter 1983 after several successive quarterly falls. *d*
- The OECD has forecast Australia's GDP growth rate at 5.25% for 1984.
- Real Private Consumption also turned around in the September quarter 1983.
- Expenditure on private dwelling construction increased in the June and September quarters of 1983 after substantial falls in several previous quarters. The prospects of continuing growth in dwelling construction are supported by the large increase in new dwelling approvals and lending for new housing throughout 1983. Private non-dwelling approvals were also substantially up in the second half of 1983 compared with the corresponding period a year earlier. *e*
- Production statistics show an upturn in a majority of items and Manufacturing Industry Gross Product has moved up from its trough of June 1983. *f*
- Interest rates have continued to fall.
- The share of profits rose from September 1982 to September 1983. *g*
- By the September quarter 1983, average real unit labour cost had declined to the lowest level for many years.
- The recovery in the world economy has gathered strength especially in the United States, Canada and Japan. Real Gross Domestic Product of the OECD countries is estimated to have gone up by 2.25% in 1983, the growth in the second half of 1983 being 4.75%; but a slower growth is predicted for 1984. *h*
- The balance of payments on current account has benefited from a marked improvement in exports and a decline in imports; private capital inflow remains high and international reserves have risen substantially. *i*

The Commonwealth submitted that the pick-up in economic activity has been stronger than was expected at Budget time last August. However, all agree that uncertainty about the future and particularly about next year and beyond, persists. The recovery so far has been variously described as fragile, brittle, embryonic and patchy. It is generally accepted that the economy has a long way to go before it is back at its 1981 level. Much of the recovery so far has come from the breaking of the

k

a drought, the wages pause, a slower rate of decrease in stocks, world economic growth and government economic policy. The force of the first two factors has been spent and there are narrow limits to which the last three can be expected to contribute to further recovery. The weakness of the recovery so far is that much of it has occurred in the public sector: the private sector remains subdued despite the pick-up in consumption expenditure, dwelling construction and exports.

b For significant recovery beyond 1984 to take place, growth in private investment will be necessary. The present outlook in this regard is still depressed. The ABS *Survey of Expected Private New Fixed Capital Expenditure in Selected Industries* for 1983-84 and 1984-85 shows falls of 10.2% and 18.8% respectively, the rate of decline being especially large in the mining sector.

c This depressed outlook for private investment in fixed capital is due partly to the exceptionally high level of such investment in 1981-82 in anticipation of the "resources boom" which failed to materialize. This inheritance has given rise to a high rate of excess capital capacity, estimated at 20%. Much of this excess capacity will need to be used up before new investments can be expected to grow apace. One encouraging note in the investment outlook is that the ABS *Survey of Revised Investment Expectations* shows that expectations over the current financial year have progressively been revised upwards. Improvement in future investment expectations is also reflected in the latest Australian Chamber of Commerce/ Westpac Survey showing that the proportion of respondent firms in the tertiary sector expecting capital expenditure to increase rose progressively over the four quarters of 1983.

e A survey about investment intentions for 1984 and 1985 conducted by the Business Council of Australia of 65 of its largest members in mining, manufacturing and service industries, showed the following returns from respondents:

f		1984	1985
		on	on
		1983	1983
		%	%
	Increase in investment	50	54
	Decrease in investment	27	23
g	No change	23	23

Slightly less than half of the respondents reported revising their plans in the last six months. Of these, two-thirds had revised their plans upward while the remaining one-third had revised their plans downward.

h The survey commented:

"In several cases, respondents reported major downward revisions to their investment programmes in the period preceding the survey coverage. Eighty per cent of respondents did not expect to revise their investment plans in the six months to June 1984. The remaining 20% were almost equally divided between those expecting to revise their plans upwards and downwards, depending on developments in the economic environment and industrial relations."

In analysing the basis on which plans were revised, the survey said:

k "Respondents were asked to indicate how sensitive their plans were to variations above or below the anticipated level in the world recovery, interest rates, domestic inflation, wage movements and developments in domestic and export markets. While there is some variation in the ranking of some factors between different product groups, the overall rankings indicated domestic market conditions as the most influential factor

followed by movements in wages above the anticipated rate, and developments in export markets.

Perhaps surprisingly, movements in interest rates above/below their anticipated level were the least influential of the factors included in the survey. This result was true for the aggregate responses as well as for each of the sectors." a

The lag in private investment is not unique to Australian experience. The Australian Council of Trade Unions (ACTU) referred to an OECD publication which had this to say about the complex role of private investment: b

"While recovery of investment is seen as a key element in re-establishing stable growth with acceptably low inflation, important, and as yet unanswered, questions concern the role that investment can be expected to play in the process of recovery. Furthermore, it is not yet clear whether a pick-up in other demand components would prove adequate to bring about an investment upswing or whether profitability is inadequate and needs somehow to be improved. In some respects OECD economies are in uncharted waters; capacity utilisation rates, as conventionally measured, are unusually low by post-war standards, and there has been a period of unusually large relative price movements and disturbances to the world economy. This makes extrapolation from the past perilous. Nonetheless, if experience is a guide it is unlikely that recovery will be led by business investment. The GDP components which have most frequently led total demand out of major cyclical troughs have been private consumption and residential investment. Spending on machinery and equipment has usually lagged, particularly in North America. c

Typically it is household spending which leads the business cycle. As credit demand slackens, the ensuing fall in interest rates stimulates spending on dwellings and consumer durables. At the same time, decelerating inflation boosts real personal disposable income and real financial balances, stimulating housing and consumption demand. Lower interest rates themselves have seldom moved fixed investment spending at an early stage of economic recovery. Spending on machinery and equipment typically rises once capacity utilization increases, inventory-to-sales ratios fall, and expectations about the durability of the economic upturn become more confidently held." d

Thus the material before us makes it clear that although there has been a recovery, although this recovery has been somewhat faster than was anticipated six months ago and although investment expectations have been revised upwards, the recovery is still in its infancy, a point repeatedly stressed by the CAI. The CAI argued that "any sustained recovery is one which is led by the private sector" and that "until a turn-around is noted in the areas of employment specifically dominated by the private sector, the Australian recovery will remain fragile and to an extent limited only". The ACTU recognized the importance of and the need for growth in private investment. It said "the positive signs emerging in late 1983 and into 1984 provide grounds for optimism, but further significant progress needs to be made in the economy in order to broaden and sustain economic recovery". The Commonwealth warned against complacency and said that there was "still a need to broaden the economic recovery in order to effect a lasting reduction in unemployment and to restrain inflation so that Australia's international competitiveness can be improved". e

The employers' submissions also dispel undue optimism about the recovery in the farming sector which expects a decline in farm income in 1984-85 unless another exceptionally good season occurs. Further, the drought legacy of debts and restocking will continue to impose a burden on this sector. Despite some recovery in profits, the outlook for the mining sector, another important source of f

³⁶ OECD Economic Outlook, 33, July 1983, pp.8-9 g

a export income, remains gloomy in the face of depressed world metal prices and severe international competition. No substantial pick-up in profits is expected before 1985.

b In view of the detailed material presented to us on the economic circumstances of the rural and mining industries, it should be understood that, this being a national wage case, such material is only relevant in so far as it throws light on the overall state of the economy. Economic incapacity in relation to particular industries is a matter for consideration in relation to particular award adjustments. We note in this connection the following in the decision of 23 September 1983:

c "While we would not debar argument being advanced on economic incapacity we would emphasize not only the long established principle of wage fixation that those seeking to argue incapacity to pay must present a strong case, but also that the fundamental basis of a centralized system is uniformity and consistency of treatment. In particular in cases involving the adjustment of rates in line with national wage decisions the Commission should not refuse an increase except in extreme circumstances."³⁷

d

SHOULD WAGES BE INCREASED?

While there was broad agreement on the state of the economy, there was sharp difference about the proper course for wages.

e As the ACTU put it:

"What is not agreed and what needs to be addressed by the Commission is how best to achieve common economic goals, how best to build upon the positive economic signs which have emerged, how best to achieve a sustained recovery and how best to build upon the progress already made in winding back unemployment and inflation."

f The employers generally and Tasmania and the Northern Territory opposed any increase. The CAI submitted that no increase in wages would be the most desirable course but that if the "Commission feels committed to some increase in wages based on the movements in the Consumer Price Index" it should discount the CPI for the increase due to indirect taxes and government charges which it estimated at 1.8%. Queensland urged the Commission to grant an increase by adjusting wage and salary rates by 4.1% up to a plateau based on \$256, this being the Average Minimum Weekly Award rate at January 1984.

g In its consideration of the requirements for a system based on full indexation to be sustainable economically and industrially, the Commission in its decision of 23 September 1983 said:

h "There should be acceptance that it may be necessary to grant less than full indexation on rare occasions because, as the Federal Government has put it, of exceptional and compelling circumstances."³⁸

i Those opposing any increase or a full increase argued that the state of the economy constituted the exceptional and compelling circumstances warranting such a course.

k Their arguments may be summed up as follows: the recovery is from a very low base, it is in its infancy, and it is so patchy and fragile that it could be aborted by an increase in wages. Indeed, the increase granted in September 1983 may have already imperilled the recovery. There is still need to improve profitability, a

³⁷ Print F2900, p.19; (1983) 291 CAR 3 at 21

³⁸ Print F2900, p.19; (1983) 291 CAR 3 at 21

necessary condition for any significant recovery in the private sector and a sustained recovery generally. Further, the prospect of a continued upward movement in the exchange rate and the on-costs resulting from any wage increase, underlines the importance of keeping wages down to sustain the already reduced international competitiveness of Australian industry. a

The CAI argued that while it is not the only factor involved, "there is the critical need to get real earnings in line with the capacity of the economy if there is to be a longer run sustainable recovery in Australia". It said that while "all factors had to be put right, this Commission can only influence the rate of growth in money earnings". The Australian Mines and Metals Association, the National Farmers Federation and the Australian Wool Selling Brokers Employers Federation generally supported the submissions of the CAI and argued that there was no economic justification for any increase in wage rates at this time. The Australian Chamber of Commerce said that whereas some improvement has taken place in the manufacturing and tertiary sectors it was deeply concerned that this will not be sustained beyond the end of the year unless wage levels reflect the capacity of different sectors of the economy to pay. b

Queensland, Tasmania and the Northern Territory also expressed concern about the effects of a 4.1% pay increase in the present economic circumstances. Queensland favoured plateau indexation while Tasmania and the Northern Territory opposed any increase. Tasmania emphasized the lack of strong industry serving local markets and the State's dependence on exports in the primary and mining sectors which it claimed were vulnerable to overseas competition. c

The employers also argued that there were no industrial relations reasons why any wage increase should be awarded. The CAI submitted if the Commission made it clear that in awarding no increase or a discounted increase, it was doing so to foster the recovery, "that decision would be accepted by the majority of Australians in the same way as the Commission's decision in respect of the wage pause was accepted". d

In support of the full 4.1% increase, the ACTU and the Commonwealth placed considerable emphasis on the Prices and Incomes Accord as the basis for continued recovery. The ACTU said:

"... the policies of the Accord provide the basis for continued government stimulus necessary to further develop the initial economic improvement, provide a stable wage fixation environment and through the Medicare effect provide the means for a specific and significant anti-inflationary effect." e

The ACTU drew attention to paragraph 12 of the National Economic Summit Conference Communique: f

"12. Participants in the Conference recognize the importance of tackling the problems of unemployment and inflation simultaneously. The Conference agrees that to achieve the necessary rates of growth in activity and employment will require the maximum fiscal stimulus consistent with the need to reduce inflation and to avoid upward pressure on interest rates. An effective incomes and prices policy is essential if an expansionary fiscal policy is to be pursued without adverse consequences for inflation. Monetary growth should be adequate to support real growth in activity and employment without being inflationary."³⁹ g

The Commonwealth described the wage determination process as "central to the government's prices and incomes policy and that policy is the key to continuing h

³⁹ Print F2900, p.10; (1983) 291 CAR 3 at 12 i

the government's prices and incomes policy and that policy is the key to continuing k

a economic recovery". The Accord, it said, "is a major anti-inflationary instrument" and adherence to it "will be an essential requirement for a further reduction in the rate of inflation and continued economic growth". The Commonwealth stressed that it would be inappropriate to "assess the claim for a 4.1 per cent increase solely in the context of the immediate economic situation". The problems of low growth, high unemployment and inflation over the past eight years, it said, cannot be overcome quickly. The unions' claims and their settlement by arbitration, should b be viewed in the "context of the medium and longer term operation of a rational and stable system of wage fixation and industrial relations". The present case, it said, was "part of a system designed to operate both in circumstances which prevail now as well as when economic recovery is more firmly established".

c In supporting the application of the full 4.1%, the Commonwealth submitted: "If the centralized system were to falter at an early stage of its development then the consequences for both industrial relations and economic recovery would be serious indeed. It is essential that the centralized system retains the confidence of wage and salary earners by safeguarding their living standards. That will contribute to the effectiveness of the prices and incomes policy and will ensure that wage outcomes remain consistent with economic recovery.

d The Commonwealth submits that the 4.1 per cent increase being sought is consistent with progress towards economic recovery. Increases in wage costs in 1984 should not be markedly higher than in 1983. The economic benefits of the Medicare effect on the CPI will be realized in the second half of this calendar year and there should be no other general increases in wage costs during the second half of this year.

e With the support of the government's economic policies, in particular its prices and incomes policy of which centralized wage fixation is a key part, a 4.1 per cent general increase in wages will be consistent with lower unemployment and inflation, with improved international competitiveness and with continuing economic growth."

f Thus while the CAI argued that there should be no increase now "in order to further cement the recovery into place", the Commonwealth contended that granting "the unions' applications in this case will cement the progress made and ensure that the recovery is given every chance to strengthen and become more broadly based".

g The arguments before us as to whether to grant an increase or not are essentially similar to those facing the Commission in its deliberations leading to its decision of 23 September 1983. Dealing with those arguments, the Commission said:

h "The CAI ... argued that if we are to bring down the high levels of inflation and unemployment and restore profitability to the business sector then 'it must become a first priority to achieve a real wage reduction'. Unless this is done, so it argued, Australia is in for a long and protracted recession. It maintained that the ACTU/Federal Government package, including adjustment of wages for movements in prices, should be rejected for this reason.

i We acknowledge that there are risks with the package outlined by the ACTU and the Government but we do not believe that in the present circumstances the approach advocated by the CAI would provide the necessary restraints in overall wage movements. The CAI submission overlooks the fact that the adjustment of wages for movements in prices is only part of a broad strategy to achieve economic growth through the implementation of a prices and incomes policy based on the Accord. In particular the proposed ACTU/Federal Government package is based on movements in the CPI and the 'ACTU is prepared to undertake that following the introduction of Medicare the published CPI estimates for the March and June quarters 1984 will be accepted as the proper basis of wage adjustment provided the centralized system we propose is fully operational and meeting the primary objective of maintaining the real value of award wages'. This specific circumstance provides an opportunity to maximize k

the anti-inflationary potential of a centralized system in the immediate future. As the Federal Government submitted:

'The slowing in the rate of increase in the Consumer Price Index will be assisted by the changes associated with the introduction of Medicare, which is expected to reduce the index by around three percentage points. This factor will make an important contribution to winding back inflation in 1984 as the lower wage outcomes feed through into prices and also contribute to some restoration in business profitability'.

The CAI submission also overlooks the fact that the ACTU submitted that 'If we have a system based on cost of living adjustments in line with the claim, then the ACTU does not envisage a productivity hearing for some time' depending 'on the timing and strength of any economic upturn'.⁴⁰

The Commission concluded:

"In summary, the changed circumstances since indexation was abandoned in July 1981 are reflected in the following:

- the Federal Government's prices and incomes policy, which it described as the 'corner-stone' of its economic strategy
- the Accord, on which the prices and incomes policy is based, regarded by the Federal Treasurer as 'a major anti-inflation instrument'
- the endorsement of 'an effective prices and incomes policy' and a centralized system in the Summit Communiqué
- the overwhelming support of the trade union movement for the Accord
- the expressed firm commitment of the ACTU to the no extra claims provision except where special and extraordinary circumstances exist
- the effect on the CPI arising from the introduction of Medicare
- the decision of the ACTU to defer any productivity claim 'for some time' depending 'on the timing and strength of any economic upturn'
- the substantial rectification of the pressures on the earlier system.

Together, these factors constitute a profound change in the context in which a centralized system would operate. These circumstances and the condition that the system is subject to review at the end of two years, have persuaded us that it would be in the public interest for the Commission to try once again to operate a centralized system based on prima facie full indexation. We do so in the expectation that it would lead to a more stable industrial environment and that it would provide the basis for a more rapid economic recovery than would occur in any alternative system.⁴¹

In coming to its decision to award the 4.3% CPI increase, the Commission bore in mind "the emphasis accorded by the Federal Government to medium and long term considerations".⁴²

We are moved by the same considerations. The package of Principles constituting the centralized system has been designed for a period of two years. Principle 1 must therefore not be considered in isolation but as forming part of a continuing system based on various requirements including a no extra claims undertaking, no productivity-based claims before 1985, acceptance of the Medicare effect on the CPI, and increases outside national wage having to constitute a very small addition to overall labour costs. A further requirement mentioned by the Commission in its 23 September 1983 decision is that the 9.1% national wage catch-up foreshadowed by the ACTU cannot be accommodated in the present system without adding significantly to unemployment and inflation.

We also note that various elements in the Accord are progressively being implemented. The Economic Planning Advisory Council and the Advisory

⁴⁰ Print F2900, pp.15-16; (1983) 291 CAR 3 at 17-18 ⁴¹ Print F2900, p.16; (1983) 291 CAR 3 at 18

⁴² Print F2900, p.45; (1983) 291 CAR 3 at 47

a Committee on Prices and Incomes have begun to function to ensure consultation and co-operation between governments, unions, business and the community representatives. The Prices Surveillance Authority has been set up and moves are afoot to ensure restraints on non-award salaries and non-wage incomes.

b In its decision of 23 September 1983, the Commission expressed concern at the substantial increases in government charges and taxes which feed directly into the CPI and add to business costs. On this occasion the CAI analysed in some detail the impact of taxes and charges on the CPI both directly and indirectly, giving substance to the Commission's concern. As to the future, we have had assurances from the Commonwealth, New South Wales and Tasmania in this connection. The Commonwealth stressed that:

c "... it is sensitive to the implications for wage determination of measures which directly and indirectly affect taxation and the government's policy decisions on these matters will be made within the context of having regard to the overall objectives of the prices and incomes policy."

d We note that the charges of Commonwealth authorities including Telecom and Australia Post will come within the purview of the Prices Surveillance Authority.

New South Wales gave an account of recent charges and taxes in that State and submitted that "there is nothing to sustain the concern of this Commission expressed in its September 1983 decision in so far as the State of New South Wales is concerned".

e Tasmania submitted that the rate of government tax increase for 1983-84 is 4.4%, a figure substantially below the rate of inflation.

f The Northern Territory maintained that the effect of increased government charges on the Territory's CPI for the September/December 1983 quarters was the lowest in Australia — 4.7% compared to 16.3% for the six State capital weighted average.

g We make reference to this matter because of the lengthy submission from the CAI for a discounting of government charges and tax induced CPI increases. The adoption of CAI's reasoning on this question could well lead to partial indexation on a regular basis, an approach which would be inconsistent with the concept underlying the present indexation package. Further, we believe that to interfere with the CPI by way of discounting, even if justified on economic logic, may reduce confidence in the present system and weaken commitment to it. However, we should emphasize that restraint in the matter of charges and indirect taxes will need to be exercised continually if the benefits of the package are to be realized. We repeat what the Commission said on 23 September 1983 in connection with the increase in government charges and taxes: "In view of our responsibilities under section 39(2) of the Act, we are bound to express our anxiety at these developments".⁴³

j As noted earlier, since that decision, the economic recovery signals have generally become stronger. There is greater consumer and business confidence. While there are areas of concern in respect of union undertakings, a matter on which we will comment later, the industrial relations climate has improved and the number of man days lost from strikes has continued to fall: it was nearly 25% lower in 1983 as compared with 1982. There has also been a very substantial reduction in stoppages with wages as an issue.

⁴³ Print F2900, p.20; (1983) 291 CAR 3 at 22

The granting of the 4.1% claim in the context of the Principles is consistent with a continued fall in the inflation rate in 1984 and a continued improvement in Australia's relative inflation rate, as predicted by the OECD. Because of the Medicare effect, the CPI in the first half of 1984 is likely to be lowered by between 2.5% and 3%. Thus, on present indications, any national wage claim for the rest of 1984 is likely to be small. The CAI's argument that a 4.1% increase on this occasion "will automatically take Australia into double digit wage increases" and that "the wage price spiral is back on in earnest", is based on movements only in the December quarter, and ignores the Medicare effect.

On all the material before us we are not satisfied that there are exceptional and compelling circumstances warranting a departure from full indexation.

We turn now to consider a number of other matters which were raised in the proceedings.

COMMITMENT TO THE PRINCIPLES

Some doubt was expressed by various parties on the commitment of the unions to the wage fixing Principles. Special instances were referred to by the CAI, the National Industrial Construction Council (NICC), Tasmania and the Northern Territory relating to union activity in various industries — food preserving, confectionery, building and the chemical complex at Altona — and to a number of disputes in the Northern Territory and Tasmania.

All unions covered by the Commission's awards except the Food Preservers' Union of Australia and The Federated Confectioners' Association of Australia, have given an undertaking as required by Principle 3. As a result, while nearly all Federal awards have been varied to give effect to the 4.3% national wage increase, awards covering these two unions have not. However, a number of employers under these awards have given the 4.3% where their employees have expressed in writing a commitment in line with Principle 3.

Principle 3, Other Claims, says:

"Any claims for improvements in pay and conditions other than those provided by Principles 1 and 2 must be processed in accordance with Principles 4 to 11 below. No application for a national wage adjustment to an award will be approved by the Commission unless all the unions concerned in the award give an undertaking that for the duration of these Principles they will not pursue any extra claims, award or overaward, except in compliance with the Principles."⁴⁴

The CAI has asked that the Commission should vary awards to give effect to national wage adjustments in respect of particular establishments of employer respondents if the employees give an undertaking to abide by the Principles and provided that the Commission is satisfied that the undertaking is genuine. The CAI argued in support of this proposal that in these circumstances it would be wrong to force employers into making national wage adjustments in the form of overaward payments and so deprive the employers and the employees affected of the benefit of award protection.

This request received no support from any other party or intervener and was actively opposed by the ACTU and the Commonwealth.

⁴⁴ Print F2900, p.49; (1983) 291 CAR 3 at 51

It is regrettable that the unions concerned did not see fit to give their members award protection by declaring their commitment to the Principles as required in the spirit of the Accord to which they are party. But we agree with the Commonwealth that the provision sought by the CAI would allow a piecemeal application of national wage increases in a way which could undermine the responsibility of particular unions and of the ACTU in ensuring that the Principles are adhered to. Moreover, we should not do anything to weaken the longstanding convention that the Commission should deal with unions rather than individual employees.

We therefore reject the CAI's proposal.

In the course of proceedings we refused a request from the CAI to adjourn because of a dispute in the Altona area. That dispute concerned an alleged overaward anomaly/inequity claim. We refer later to the ACTU's proposal to deal with this type of claim. The only other positive action we were asked to take in connection with commitment to the Principles was in relation to the building industry.

The NICC submitted to us that the way in which the claim for an interim superannuation scheme or any form of payment in lieu thereof has been developed demonstrates "beyond any reasonable doubt that it is being pursued as a way to replace allowance increases which were rejected by the Commission last November". It contended that:

"... the current claim in the building industry and the threat of direct action from 1 April is a sectional claim and an extra claim, ... inconsistent with the prices and incomes accord, the national economic summit communique, and this Commission's wage fixing principles."

The NICC also outlined other examples of what it claimed to be "lack of commitment to the system by the building unions themselves". It requested "that the Commission not give any decision upon the applications which are before it in these proceedings until the ACTU itself and, through the ACTU, the building unions have given a specific commitment that they will not continue to press the claim for industry superannuation" or in the alternative that "the Commission should refuse the applications which are before it".

The CAI submitted that the claim for an industry superannuation scheme in the building and construction industry "backed up as it has been with the threat of renewed industrial action, is nothing more or less than a disguised claim for a sectional wage increase" and that "the claim and its pursuit against the industry is nothing more and nothing less than a breach of the no extra claims undertakings".

The ACTU rejected the contention that "the unions' claim for superannuation in the building industry is an attempt to find a way around the principles". The ACTU said:

"The claim is made on the basis of the absence of superannuation in the building industry, the commitment given to the Commission, government and employers in the industry to seek to achieve greater stability in the industry by fundamental industrial relations reforms in the industry, and the continued and repeated undertaking to consider the feasibility of superannuation.

It is isolated and naturally confined to the industry. We do not believe it is appropriate to prolong the unnecessary debate on this issue in the national wage case. The Commission has referred the matter to a full bench dealing with the building industry, and as it is limited to that context, we believe it is appropriate that it be dealt with in that forum."

The Commonwealth submitted that where "it is said that unions are pursuing claims which are incompatible with their commitments to the Commission" those claims should be dealt with "in proceedings in which unions sought the national wage flow on". a

We are greatly concerned about the allegations made by the NICC and the CAI but we are not prepared to do as the NICC has asked.

We have not had the benefit of submissions by the unions directly concerned and we have had only brief submissions from the ACTU. Furthermore, the existing Principles are capable of being adapted to cover cases where a breach of the commitment has occurred. In particular, if during the life of the package the Commission decides that there has been a breach of the commitment it can refuse to grant subsequent national wage increases. Other courses consistent with the Principles may also be available to the Commission in particular cases. However, it should be clear that the present system and the Accord will be under serious threat if undertakings are broken in relation to strategic awards, Federal or State. b

In the particular circumstances of the building industry, as no party or intervener has suggested that we should abandon the wage fixing Principles because of the situation in that industry, we are of the view that the submission made by the NICC in these proceedings would more properly be put to the Commission, however constituted, which is to deal with the building industry in accordance with this decision. c

d

APPLICATION OF PRINCIPLES

We were also asked to deal with three matters relevant to the application of the Principles. In broad terms these matters concerned the need for consistent application of the Principles, the application of Principle 6 to overaward payments, and the procedure to be adopted in relation to public sector claims under Principle 6(a) and (b). We deal with these in turn. e

Consistent Application of Principles

The CAI asked us to re-affirm the need for strict compliance with the Principles and to "stress that the Principles cannot be departed from to meet hard cases". In particular the CAI emphasized that it was not appropriate for individual members of the Commission to decide that matters are anomalous and so avoid the current anomalies principle or for them to rely on section 28 of the Act to justify departures from the Principles. f

In the 23 September 1983 decision the Commission said that:

"To ensure the integrity of the Principles, they must apply not only to arbitrated cases but also to agreements and consent awards. Consistency is an essential element of the system. Any other approach would give rise to pressures for flow-ons and threaten the survival of the system. It follows that it would not be in the public interest for the Commission to certify agreements or make consent awards unless they are consistent with the Principles."⁴⁵ g

It also said in the same decision that:

"The Principles must be applied consistently and rigorously by all members of this Commission. Further, it was at the heart of many of the submissions put to us that a h

⁴⁵ Print F2900, p.21; (1983) 291 CAR 3 at 23 k

a centralized system of wage fixation could not really work unless there was consistency between the State tribunals and this Commission. We have already quoted paragraph 23 of the Communiqué of the National Economic Summit Conference which made this very point."⁴⁶

And:

b "These expressions of views from the parties immediately concerned and from Governments underline the desirability which was expressed in the Communiqué that our Principles should provide 'the framework for the operation of other wage fixing tribunals in Australia'. The Summit recognized the authority and autonomy of those tribunals and so do we. But we have reached our conclusions both as to amount and as to Principles in the hope and expectation that the State tribunals will find themselves able to accept in substance what we have done for the period for which we have done it."⁴⁷

c These were two of the requirements set out in the decision "for a system based on full indexation to be sustainable economically and industrially"⁴⁸ and no party to these proceedings challenged their appropriateness.

d We therefore re-affirm these basic requirements.

Overaward Payments

e Two issues were raised in the present proceedings about overaward payments. The first related to the question of recommending that national wage adjustments be applied to overaward payments. The employers generally while still being critical of the Commission's decision of 23 September 1983 to permit recommendations about overawards did not ask us to remove that provision. The Australian Wool Selling Brokers Employers Federation however went somewhat further. They told us that in the past when there had been a recommendation about a particular award in this industry the employers concerned had chosen not to accept the recommendation. They said it was an undesirable result that a recommendation of the Commission should not be implemented by employers and we should make it clear that we will not make a recommendation which cannot be enforced even if it is with the consent of the parties. They also said that if there were to be recommendations they should be confined to circumstances where the overaward payments are of a negotiated and generic nature rather than the unilateral, individual merit type.

g In its 23 September 1983 decision the Commission after noting the remarks on the subject of the 1978 review of the Indexation Principles⁴⁹, said:

h "In the circumstances of the Accord we think it would be appropriate for the Commission, after hearing the parties to an award and being satisfied that a proper case has been made out, to recommend the indexation of overaward payments when award payments are indexed. We will provide accordingly."⁵⁰

i We are not prepared to comment on the particular case raised by the Wool Selling Brokers because we have not heard the union, but we should point out that the Commission did not intend that the indexation of overaward payments should be automatic. We emphasize that the words used were "being satisfied that a proper case has been made out". We adhere to the view that a proper case has to be made out but we will not limit the discretion of a particular member of the Commission by using the words suggested by the Wool Selling Brokers.

k ⁴⁶ Print F2900, p.21; (1983) 291 CAR 3 at 23

⁴⁷ Print F2900, p.22; (1983) 291 CAR 3 at 24

⁴⁸ Print F2900, p.17; (1983) 291 CAR 3 at 19

⁴⁹ Print D8400; (1978) 211 CAR 268

⁵⁰ Print F2900, p.25; (1983) 291 CAR 3 at 27

The other matter raised went to the question of whether overawards can be dealt with by the Anomalies Conference. a

The ACTU submitted that because the Principles cover claims for overaward as well as award payments, overaward payments should be permitted to be dealt with either as an anomaly or an inequity. It did not ask us to replace Principle 6 but it asked us to interpret it so that overaward payments could be dealt with under it. This proposal was strongly resisted by the employers who said that it was not intended that the anomalies and inequities procedure should apply to overaward payments. They also said that if we were to adopt in general the proposal of the ACTU it could lead to a flood of cases and the ultimate destruction of the Principles themselves. b

In reply the ACTU indicated that there were only three issues about overawards which had been raised. One was the issue regarding the security service which had already been to the Anomalies Conference, and the other two were the Altona contractors and contractors in Bass Strait. It also said that it did not seek any changes in the tests to be applied and how they should be dealt with in the Anomalies Conference itself. It also said that the alleged anomaly or inequity would have to be accepted by the employer concerned before it could proceed to the Anomalies Conference. c

The ACTU also submitted:

"We understand that because we are dealing with overaward payments the system we propose must be almost entirely voluntary and must be processed through the anomalies conference and will be subject to testing by that body and that consistent principles will be applied. Secondly, it is accepted that there is a mechanism for handling such problems. We accept that for the resolution by the conference this will require total agreement. In the absence of total agreement, the power of the President to refer the matter to a full bench remains entirely a matter for the discretion of the President. d

In this regard, we accept that there must be acceptance by the direct employer to the process. e

Consequently, we do not accept that the system will open the flood gates and submit that ultimately it will prove valuable in settling such problems in the overaward payment area. f

If the Commission is concerned about that possibility, it should indicate on the basis of first a limited number of cases and second an acceptance of the added bonus of agreement especially, that it is prepared to process the cases." g

The Commonwealth put a submission that before we gave our final decision, an immediate Anomalies Conference should be convened so that there could be an analysis of the implications of extending the anomalies procedure. At the completion of that Anomalies Conference the President would provide a report to this bench which would be dealt with either as part of the decision in this case or as a supplementary decision. We are not prepared to take this course which we think would unduly complicate the situation. h

We are concerned that if anomalies about overawards are allowed to come to the Anomalies Conference as a matter of course the flood gates might indeed be opened and we are not prepared on the material before us to allow overawards generally to come to the Anomalies Conference. i

However, we note that the ACTU said: k

"... in seeking anomalies and inequities relating to overawards to be within the Commission's scope through the anomalies conference, we recognise that such

a anomalies or inequities would be subject to the tests laid down in the Principles. As such, claims made would need to be genuinely consistent with the Principles under the tests set down in those Principles."

b In this quite vexed and complex situation all we are prepared to do is to permit the three cases mentioned by the ACTU to be brought to the Anomalies Conference and to be dealt with under Principle 6.

Public Sector Claims under Principle 6(a) and (b)

c In its 23 September 1983 decision, the Commission referred to two matters of concern in connection with the establishment of a firm and equitable base to existing paid rates awards which allegedly have fallen behind the market. One related to the representativeness of market surveys. The second was in the following terms:

d "Our second concern, which is in part related to the first, arises from the interaction of wage and salary rates within the public sectors, Federal and State, and between the public and private sectors. This is a complicated area which has given rise to leapfrogging in the past but which has not to our knowledge been fully investigated. Consideration of any claim for adjustment of paid rates awards to establish a firm and equitable base should involve a detailed examination of this problem."⁵¹

e The Council of Professional Associations (CPA) has asked for clarification of this paragraph arising from the Commonwealth's comment at an Anomalies Conference relating to a claim for pay adjustment by Australian Public Service engineers and related grades. The Commonwealth expressed the view that this claim should be joined to other claims which may be brought by Australian Public Service unions and associations and be heard as one major case.

f The CPA argued that the various claims have little in common with each other apart from the fact that they relate to the same employer; and it is concerned that the suggested procedure would cause undue delay in the determination of the engineers' claim. We share the concern of the Commission as expressed in the decision of 23 September 1983, and we note the following passages in that decision:

g "The concern we have expressed in connection with the adjustment of paid rates awards will no doubt be noted by the Anomalies Conference and due weight will be given to the need for careful enquiry into the issues raised before any adjustments are made.

h To give the Anomalies Conference a proper perspective of the range of claims sought to be adjusted and of any interrelationship between them, all such claims should be lodged by 31 December 1983."⁵²

j We have nothing to add to these remarks. As to whether the various claims should be heard together or separately is a question which we are not able to answer without a clear outline of the substance of each of them. Such material is not before us. However, we believe that the question of joinder should be decided by the bench to which the anomaly/inequity has been referred in the light of submissions by all interested parties and interveners.

CONCLUSION

k Bearing in mind the terms of Principle 1, the concept underlying the present system, and the state of the economy as presented to us, we have come to the conclusion that there are no exceptional and compelling circumstances calling for

⁵¹ Print F2900, p.40; (1983) 291 CAR 3 at 42

⁵² Print F2900, p.40; (1983) 291 CAR 3 at 42

the rejection of the claims. We repeat what we said above: the package of Principles constituting the centralized system has been designed for a period of two years. Principle 1 must therefore not be considered in isolation but as forming part of a continuing system based on various requirements including a no extra claims undertaking, no productivity-based claims before 1985, acceptance of the Medicare effect on the CPI, and increases outside national wage having to constitute a very small addition to overall labour costs. a

We have decided therefore that in accordance with Principle 1, awards generally should be varied to give effect to the 4.1% CPI increase. Similarly, in accordance with Principle 9, appropriate allowances should be adjusted by 4.1%. The increases will operate from the first pay period to commence on or after 6 April 1984. b

We refer all the matters before us back to the Presidential members in charge of each Panel for implementation in the light of what we have said about commitment to the Principles. c

Appendix

TABLE 1
CIVILIAN LABOUR FORCE: EMPLOYMENT AND UNEMPLOYMENT

		<i>Employment change</i>	<i>Unemployment rate (seasonally adjusted)</i>
		'000	%
1983	June	8.2	10.3
	July	4.6	10.3
	August	-14.1	10.3
	September	36.7	10.4
	October	8.8	9.9
	November	39.8	9.7
	December	33.7	9.4
1984	January	-14.3	9.5
	February	21.0	9.4

Source: ABS, Cat. No. 6202.0

TABLE 2
 CHANGES IN MAJOR COMPONENTS
 OF REAL GROSS DOMESTIC PRODUCT (a)
 (Percentage changes; seasonally adjusted)

	<i>Quarterly movements</i>				<i>September qtr 1982 to September qtr 1983</i>
	<i>Dec 1982</i>	<i>March 1983</i>	<i>June 1983</i>	<i>Sept 1983</i>	
Gross farm product	-11.2	-1.9	-4.3	43.2	19.4
Gross non-farm product (income based)	-0.4	-0.3	-1.2	2.3	0.4
Gross domestic product (income based)	-1.0	-0.4	-1.4	4.4	1.5
Private consumption expenditure	0.5	0.6	-1.7	1.5	0.9
Private gross fixed capital expenditure:					
Dwellings	-11.5	-12.1	1.9	1.7	(c)-19.4
Non-dwelling construction (b)	-14.1	-0.9	-5.9	-20.1	(c)-36.0
Equipment (b)	2.5	-10.3	2.8	-5.9	(c)-13.1
Business fixed investment (b)	-2.1	-8.1	0.5	-9.4	
Total	-4.4	-8.9	0.8	-6.9	(c)-19.3
Exports	-3.2	-5.8	-0.9	5.6	-4.5
Imports	-5.3	-8.7	1.5	4.2	-8.5

(a) At average 1979-80 prices

(b) Adjusted to remove the impact of the sale to the private sector of public assets under lease-back arrangements

(c) Unadjusted for lease-back arrangements

Source: ABS, Cat. No. 5206.0 with lease-back arrangement adjustment made by Treasury

TABLE 3
AVERAGE REAL UNIT LABOUR COSTS AND FACTOR SHARES
OF GROSS NON-FARM PRODUCT AT FACTOR COST

	<i>Dec quarter 1982</i>	<i>March quarter 1983</i>	<i>June quarter 1983</i>	<i>Sept quarter 1983</i>
Average real unit labour costs (Average 1966-67 to 1972-73 = 100)	108	108	104	102
	%	%	%	%
Wages, salaries and supplements	67.2	67.4	65.7	63.8
Gross operating surplus:				
Trading enterprise companies	12.3	12.1	13.8	14.9
Trading enterprise companies, financial enterprises and unincorporated enterprises	20.8	20.5	22.2	23.5

Source: Tables 7 and 8 of Commonwealth Exhibit 5 based on ABS statistics and Treasury estimates

TABLE 4
WAGES AND PRICES AUSTRALIA
(Percentage increases)

	<i>Weighted average minimum weekly award rate</i>		<i>Weekly ordinary time earnings — full-time adults (a)</i>		<i>Weekly total earnings — all persons (a)</i>		<i>Consumer Price Index — eight capital cities (a)</i>	
	A	B	A	B	A	B	A	B
1983 June	0.2	4.6	0.7	10.2	0.5	6.7	2.1	11.2
July	0.0	3.3						
August	0.0	2.1						
Sept	0.0	1.7	0.8	6.8	1.3	5.5	1.6	9.2
Oct	4.3	5.7						
Nov	0.0	5.2						
Dec	0.0	4.8	3.7	6.5	3.5	7.2	2.4	8.6

A = Change on previous period

B = Change on a year earlier

(a) Quarterly movements

Source: ABS Cat. No. 6312.0, Cat. No. 6301.0, Cat. No. 6401.0

Appearances:

I. Watson and *W. Kelty* of the Australian Council of Trade Unions for The Amalgamated Metals Foundry and Shipwrights' Union and others.
C.J. Polites for the Metal Trades Industry Association of Australia and others.
B.D. Purvis for the Australian Wool Selling Brokers Employers Federation and another.
F. Austin and *S.O. Green* for The Association of Professional Engineers, Australia.
A.R. Stockdale and *G.M. Giudice* for the United Graziers Association of Queensland, Australian Mines and Metals Association and others.
P. Rosser for the South Australian Gas Company.
R. Merkel, Q.C. and *G. Moore* of Counsel for the Minister of State for Employment and Industrial Relations (intervening).
M. Moore of Counsel for Her Majesty the Queen in Right of the State of New South Wales (intervening).
M.G. Wright for Her Majesty the Queen in Right of the State of Victoria (intervening).
J. Johnston for Her Majesty the Queen in Right of the State of Queensland (intervening).
P. Jackson and *G. Harbord* for Her Majesty the Queen in Right of the State of South Australia (intervening).
G.W. Willingham for Her Majesty the Queen in Right of the State of Tasmania (intervening).
L. Kaufman of Counsel for the Government of the Northern Territory (intervening).
R.N. George and *G.M. Overman* of Counsel for Her Majesty the Queen in Right of the State of Western Australia (intervening).
F. Tilbrook for The State Public Services Federation and the Australian Public Services Federation (intervening).
K. Lovell and *J. Glasson* for the National Industrial Construction Council (intervening).
F. Vincent and *S. Marshall* of Counsel for the Australian Building Construction Employees and Builders Labourers Federation (intervening).
A. Downer for the Australian Chamber of Commerce.

Dates and place of hearing:

1984.
Melbourne:
February 28, 29;
March 1, 6 to 9, 14, 16.