

CHAPTER XIII

LABOUR, WAGES AND PRICES

NOTE.—For particulars of the Farm Production Price Index, see Chapter XXX. Miscellaneous.

For current information on the subjects dealt with in this Chapter, see the *Monthly Review of Business Statistics*, the *Digest of Current Economic Statistics*, and the *Quarterly Summary of Australian Statistics*, also the mimeographed statements *Wage Rates and Earnings*, *Consumer Price Index*, *Wholesale Price (Basic Materials and Foodstuffs) Index*, and *Export Price Index*. For further information on these subjects, except the Export Price Index, see the *Labour Report* issued by this Bureau.

In addition, the following recent special publications were issued in mimeographed form:—*Minimum Wage Rates, January, 1961, to June, 1963* (S.B. 354); *Survey of Weekly Earnings and Hours—Australia, October, 1962* (S.B. 213).

RETAIL PRICES AND PRICE INDEXES

§ 1. General

Retail prices of food and groceries and average rentals of houses for years extending back to 1901 were collected by the Commonwealth Statistician, and in some cases have been recorded by the Statisticians of various States for earlier years.

Retail prices of a more extensive range of commodities (including clothing) and certain services in common demand have been ascertained at frequent and regular intervals since 1923 and comparable information was ascertained for the month of November in each year from 1914 to 1922. The range of items for which retail prices data are obtained was considerably expanded in 1948 and in later years.

Average retail prices of certain food and grocery items in current periods are published in the annual *Labour Report*.

An explanation of the nature and purposes of retail price indexes is given in the various editions of the annual *Labour Report*, together with further particulars of indexes then current. In § 2 below, previous retail price indexes for Australia are briefly outlined. The current retail price index, entitled the Consumer Price Index, was published for the first time in August, 1960. It was compiled retrospectively to 1948–49. A description of the Consumer Price Index is given in § 3 on pages 432–4.

§ 2. Previous Retail Price Indexes

1. General.—Five series of retail price indexes had been compiled at various times for Australia by the Commonwealth Statistician prior to 1960. Each of these was continued until changed conditions required the compilation of indexes more directly relevant to current conditions. The respective indexes were as follows.

- (i) *The "A" Series Index* (covering food, groceries and house rents) was first compiled in 1912 with the year 1911 as base = 1,000. It was discontinued in June, 1938.
- (ii) *The "B" Series Index* (covering food, groceries and rent of 4 and 5 roomed houses) was first compiled in 1925 and continued until December Quarter, 1953. It was the food and rent constituent of the "C" Series Index and was designed to replace the "A" Series Index for general statistical purposes.
- (iii) *The "C" Series Index* (covering food and groceries, rent of 4 and 5 roomed houses, clothing, household drapery, household utensils, fuel, lighting, fares, smoking and some other miscellaneous items) was first compiled in 1921. It was last issued on its original basis for December quarter, 1960. For certain transitional purposes a "C" Series Index was issued for some quarters after that. This was calculated by varying the index numbers of December quarter, 1960, in ratio to movements shown by the Consumer Price Index.

- (iv) *The "D" Series Index*, derived by combining the "A" and "C" Series Indexes, was used by the Commonwealth Court of Conciliation and Arbitration from May, 1933, to May, 1934, and then discontinued.
- (v) *The Interim Index* (covering food and groceries, rent of 4 and 5 roomed houses, clothing, household drapery, household utensils, fuel, lighting, fares, smoking, certain services and some miscellaneous items) was first compiled in 1954 with the year 1952-53 as base = 100. As its title indicated, it was constructed as a transitional index. Its compilation was discontinued following its replacement by the Consumer Price Index in June quarter, 1960.

2. **The "Court" Index.**—In 1937, the Commonwealth Court of Conciliation and Arbitration introduced a "Court" Index for the purpose of its system of making automatic quarterly adjustments to the basic wage within its jurisdiction. By decision of the Court, the "Court" Index ceased to be issued by the Industrial Registrar as at December quarter, 1953. These "Court" Index numbers were an arithmetical conversion of the "C" Series Retail Price Index.

§ 3. Consumer Price Index

1. **General.**—This retail price index was first compiled in 1960, retrospectively to September quarter, 1948. A full description of the index up to December quarter, 1963 is given in *Labour Report* No. 49, 1961. The Consumer Price Index, a chain of "fixed weight aggregative" indexes linked at short intervals to form a continuous series, was further linked at December quarter, 1963. Details of this link were published in the bulletin *Consumer Price Index*, March quarter, 1964, S.B. 426, and will be published also in *Labour Report* No. 50, 1962-63.

2. **Origin.**—The list of component items and the weighting pattern of the "C" Series Retail Price Index, first adopted in 1921, were slightly revised by Conference of Statisticians in 1936, but otherwise continued almost unchanged until the index was discontinued in 1960. The reasons for this, and the circumstances which led to the present Consumer Price Index, appear from ensuing paragraphs.

From the outbreak of war in 1939 to late in 1948, periodic policy changes in regard to various war-time controls (including rationing) caused recurrent changes in consumption and in the pattern of expenditure. This rendered changes desirable but made it impracticable either to produce a new index, or to revise the old one, on any basis that would render the index more representative than it already was of the changing pattern of household expenditure in those years.

When commodity rationing had virtually ceased in the latter part of 1948, action was taken by the Statistician to collect price data of about 100 additional items and to gather information as to current consumption and expenditure patterns. This was done to facilitate review of the component items and weighting system of the "C" Series Retail Price Index, in the light of the new pattern of wage-earner expenditure and consumption that appeared to be emerging. But there supervened, in the next few years, conditions which caused wide price dispersion coupled with a very rapid rise in prices and a new sequence of changes in consumption and in the pattern of wage-earner expenditure. Under these conditions it was not possible to devise any new weighting pattern likely to be more continuously representative of conditions then current than was the existing "C" Series Retail Price Index on the 1936 revision.

A Conference of Statisticians considered the matter in June, 1953, and resolved (in part) as follows:—

- "(a) that, in view of the persistence of recurrent changes in the pattern of consumer expenditure in the post-war period, it is undesirable to make a general revision of the list of items and weighting system of the "C" Series Retail Price Index at present, unless industrial tribunals expressly desire some revision for special purposes;
- (b) that an Interim Retail Price Index be compiled with putative weights and components representative, as nearly as may be, of the post-war pattern of consumer usage and expenditure."

The "C" Series Index continued to be compiled on its pre-war basis without significant change in procedures. The Interim Retail Price Index was introduced in 1954 and continued until March quarter, 1960.

The Interim Index was a transitional index designed to measure retail price variations on the "C" Series model in terms of post-war consumption weights, as emerging in the early 1950's. It embraced a wider range of commodities and services than did the "C" Series Retail Price Index, but it did not take into account successive major changes in the pattern of expenditure and modes of living that began to occur early in 1950 and through to 1960. These changes could not, in fact, be detected and measured promptly, and incorporated into an index, concurrently with their happening. Nor was it envisaged as desirable to adopt fundamentally new procedures in price index construction until it was fully evident that far-reaching procedural changes were necessary to meet the situation that had developed between about 1950 and 1960.

In this period, home owning largely replaced house renting, the use of the motor car greatly increased and partly replaced use of public transport, and various items of electrical household equipment and television came into widespread use. The impact of these (and other) changes in usage upon the pattern of household expenditure was heightened by disparate movements in prices. Together, they rendered nugatory the attempt to meet the situation by devising a single Interim Retail Price Index. As studies progressed and new data became available, it was clear that no single list of items and no single set of fixed weights would be adequately representative as a basis for measuring retail price changes at all times throughout the post-war period. In consequence, the situation was met by compiling the Consumer Price Index constructed as a chain of linked indexes with significant changes in composition and weighting effected at short intervals during the period 1950-1960.

3. Purpose, Scope and Composition.—The Consumer Price Index is a quarterly measure of variations in retail prices for goods and services representing a high proportion of the expenditure of wage-earner households. The weighting pattern relates to estimated aggregates of wage-earner household expenditures and not to estimated expenditures of an "average" or individual household of specified size, type, or mode of living. In this way, it is possible to give appropriate representation to owner-occupied houses as well as rented houses and to include motor cars, television sets, and other major expenditures which relate to some households and not to others.

Consumer (retail) price indexes are sometimes loosely called "cost of living indexes" and are thought to measure changes in the "cost of living". Neither the Consumer Price Index, nor any other retail price index, measures those changes in the cost of living that result directly from changes in the mode or level of living. Changes of that kind are matters for consideration apart from price indexes, but the change in prices of goods and services is a very important part of the change in the cost of living and this part is measured by consumer (retail) price indexes.

The Consumer Price Index covers a wide range of commodities and services arranged in the following five major groups:—

- Food;
- Clothing and Drapery;
- Housing;
- Household Supplies and Equipment;
- Miscellaneous.

These groups do not include every item of household spending. It is both impracticable and unnecessary for them to do so. Prices are collected regularly for specified quantities and qualities of a large and representative selection of commodities and services. Movements in the prices of these items, when combined in suitable proportions, provide a representative measure of price change as affecting a high proportion of the expenditure of wage-earner households.

4. Structure—a Chain of Linked Indexes.—Substantial changes occurred in consumer usage and patterns of expenditure following the 1939-45 War. In order to keep the weighting pattern representative of current expenditures, it became necessary to construct indexes with additional items and changes in the weighting pattern at intervals, rather than on the basis of a list of items and set of weights that remained unchanged throughout the whole period covered. Five new series for short periods (namely, from the September quarter of 1948 to the June quarter of 1952, from the June quarter of 1952 to the June quarter of 1956, from the June quarter of 1956 to the March quarter of 1960, from the March quarter of 1960 to the December quarter of 1963, and from the December quarter of 1963 onwards) were therefore constructed and linked to form a continuous retail price index series to be known as the Consumer Price Index. During each period between links,

the items and weighting remained unchanged. At times of linking, the weighting pattern was altered and new items that had become significant in household expenditure were introduced.

Under this method, in effect, average percentage price movements are assessed on one pattern up to the time of the link and on another pattern thereafter. The process of linking ensures that the series reflects only price variations and not differences in cost of the old and new lists of items. The introduction of new items and weights by linking does not, of itself, raise or lower the level of the index.

§ 4. Tabular Statements of Retail Price Index Numbers

Consumer Price Index.—(i) *General.* The index has been compiled for each quarter from September quarter, 1948, and for each year from 1948–49. "All Groups" index numbers and "Group" index numbers for each of the five major groups are compiled and published regularly for the six State capital cities separately and combined. The reference base for each of these indexes is: year 1952–53 = 100.0. Figures appearing after the decimal point possess little significance for general statistical purposes. They are inserted to avoid distortions that would occur in rounding off the figures to the nearest whole number.

Index numbers for each quarter are first issued in mimeographed statistical bulletins available from the Commonwealth Statistician about three weeks after the end of the quarter. These bulletins contain comment on the index and on significant price movements in that quarter. Tables showing index numbers for preceding quarters and years are presented.

(ii) *Consumer Price Index Numbers.* The following table shows Consumer Price Index Numbers (Total All Groups), for the six State capital cities separately and combined, for periods from the year 1948–49.

CONSUMER PRICE INDEX: ALL GROUPS INDEX NUMBERS

SIX CAPITAL CITIES, SEPARATELY AND COMBINED

(Base of each Index: Year 1952–53 = 100.0)

NOTE.—The separate city indexes measure price movements within each city individually. They do not compare price levels as between cities.

Period	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Six Capital Cities(a)
Year ended June—							
1949	60.5	61.0	62.1	61.6	60.6	60.7	60.9
1950	65.6	66.2	67.1	66.2	66.2	64.7	66.0
1951	74.5	74.6	75.1	74.7	74.4	73.3	74.6
1952	91.9	91.0	91.8	91.4	90.4	90.4	91.4
1953	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1954	101.6	102.0	102.0	102.3	103.0	105.0	102.0
1955	102.3	102.0	102.9	103.5	105.2	104.9	102.6
1956	105.7	108.1	106.3	106.9	107.9	110.2	106.9
1957	112.9	114.0	112.0	111.1	112.9	116.9	113.1
1958	114.5	114.4	114.4	111.9	113.6	117.0	114.2
1959	115.3	116.6	118.2	114.5	114.7	118.7	116.0
1960	117.8	120.0	121.2	118.0	116.9	120.8	118.9
1961	122.1	125.9	125.4	122.9	121.2	127.5	123.8
1962	122.6	126.3	127.3	122.5	121.6	128.1	124.3
1963	123.2	126.2	127.7	122.1	122.2	128.0	124.5
Quarter—							
1960—December	121.6	125.5	125.1	122.4	120.8	127.1	123.3
1961—March ..	122.5	126.1	126.7	123.4	121.9	128.3	124.2
June ..	123.4	127.1	126.1	124.3	122.4	128.9	125.0
September	123.1	126.8	127.0	123.5	121.7	129.1	124.8
December	122.5	126.5	127.1	122.5	121.3	128.3	124.3
1962—March ..	122.4	125.9	127.7	122.1	121.5	127.5	124.1
June ..	122.3	125.9	127.3	121.9	121.8	127.5	124.0
September	122.7	126.2	127.5	121.9	122.1	127.6	124.3
December	123.2	126.2	127.6	121.9	121.7	128.2	124.4
1963—March ..	123.3	126.0	127.8	121.9	122.3	128.0	124.5
June ..	123.7	126.4	127.9	122.5	122.8	128.2	124.9
September	123.7	126.7	128.4	122.8	122.7	128.8	125.1
December	123.9	126.4	128.2	122.7	123.1	129.0	125.0
1964—March ..	124.6	127.1	129.2	123.5	124.2	129.8	125.8

(a) Weighted average.

The following table shows Consumer Price Index Group Index Numbers for the six State capital cities combined for periods from the year 1948-49.

CONSUMER PRICE INDEX: GROUP INDEX NUMBERS

WEIGHTED AVERAGE OF SIX CAPITAL CITIES

(Base of each Index: Year 1952-53 = 100.0)

NOTE.—The group indexes measure price movements of each group individually, and compare the degree of price change in the different groups.

Period	Food	Clothing and Drapery	Housing	Household Supplies and Equipment	Miscellaneous	All Groups
Year ended June—						
1949	54.1	58.4	72.5	67.0	66.6	60.9
1950	58.6	67.4	76.1	71.1	69.6	66.0
1951	68.6	77.8	81.0	78.1	76.3	74.6
1952	89.9	93.5	89.1	92.9	92.3	91.4
1953	100.0	100.0	100.0	100.0	100.0	100.0
1954	103.5	100.7	104.8	101.6	99.9	102.0
1955	104.3	101.0	108.4	101.4	99.9	102.6
1956	110.2	102.0	115.1	101.6	105.9	106.9
1957	115.3	103.9	122.1	105.8	118.0	113.1
1958	113.3	107.0	127.3	107.5	119.7	114.2
1959	115.4	108.2	130.6	108.7	121.2	116.0
1960	119.8	109.4	135.2	109.8	123.9	118.9
1961	127.7	111.6	144.8	111.2	127.3	123.8
1962	125.5	112.8	150.7	112.7	128.1	124.3
1963	124.3	113.2	155.0	112.4	128.8	124.5
Quarter—						
1959—March ..	116.3	108.1	130.9	108.9	121.5	116.3
June	117.1	107.9	131.9	109.1	121.9	116.8
September ..	117.9	108.3	132.5	109.4	122.3	117.3
December ..	118.4	109.2	133.9	109.6	123.0	118.0
1960—March ..	120.3	109.5	134.8	110.0	123.8	119.0
June	122.6	110.5	139.4	110.2	126.4	121.1
September ..	126.0	110.7	141.4	110.6	126.7	122.5
December ..	126.7	111.5	144.1	111.0	127.2	123.3
1961—March ..	128.6	111.7	145.7	111.3	127.5	124.2
June	129.4	112.4	148.0	111.9	127.7	125.0
September ..	128.1	112.4	148.5	112.6	127.9	124.8
December ..	125.3	112.9	150.5	112.7	128.3	124.3
1962—March ..	124.7	112.9	151.0	112.7	128.0	124.1
June	123.7	112.9	152.6	112.8	128.2	124.0
September ..	124.2	113.0	153.3	112.8	128.4	124.3
December ..	124.3	113.2	154.7	112.4	128.7	124.4
1963—March ..	124.1	113.2	155.3	112.1	129.0	124.5
June	124.5	113.4	156.8	112.4	129.2	124.9
September ..	125.0	113.7	157.9	110.6	129.7	125.1
December ..	124.5	113.7	159.0	110.8	129.5	125.0
1964—March ..	126.0	113.8	159.9	111.1	130.1	125.8

The following table shows Consumer Price Index Group Index Numbers for each State capital city for recent years and quarters.

CONSUMER PRICE INDEX: GROUP INDEX NUMBERS

(Base of each Index: Year 1952-53 = 100.0)

NOTE.—The index numbers hereunder are designed to measure movements in retail prices of specified groups of items for specified cities individually. They measure variations from time to time and not differences in price level as between cities nor comparative costs of groups of items.

City	Year ended June—						1963				1964
	1949	1953	1960	1961	1962	1963	Mar. Qtr	June Qtr	Sept. Qtr	Dec. Qtr	Mar. Qtr
FOOD GROUP											
Sydney	52.2	100.0	117.5	124.4	121.9	121.1	121.1	121.3	121.2	121.4	122.7
Melbourne	54.9	100.0	120.8	130.2	127.8	126.0	125.5	125.8	126.7	125.7	127.0
Brisbane	56.4	100.0	124.2	130.4	130.8	129.8	130.3	130.2	131.5	131.0	133.6
Adelaide	56.1	100.0	123.1	132.2	127.6	126.0	125.7	126.8	128.0	127.0	129.1
Perth	55.0	100.0	118.4	124.4	123.5	123.9	123.7	124.4	124.6	123.7	125.0
Hobart	56.0	100.0	118.5	132.1	129.0	127.2	127.2	127.0	128.7	127.9	129.1
Six Capitals(a) ..	54.1	100.0	119.8	127.7	125.5	124.3	124.1	124.5	125.0	124.5	126.0
CLOTHING AND DRAPERY GROUP											
Sydney	58.0	100.0	108.5	110.3	111.4	111.8	111.8	112.0	112.3	112.3	112.4
Melbourne	58.6	100.0	110.7	112.8	114.0	114.4	114.4	114.6	114.9	114.9	115.0
Brisbane	59.2	100.0	111.9	115.1	116.7	117.0	117.0	117.0	117.4	117.6	117.7
Adelaide	58.3	100.0	106.8	109.5	111.2	111.7	111.6	112.1	112.4	112.5	112.6
Perth	59.6	100.0	108.2	110.8	111.7	112.0	112.0	112.4	112.6	112.6	112.8
Hobart	58.0	100.0	110.7	112.4	114.0	114.5	114.4	114.8	115.0	114.9	114.9
Six Capitals(a) ..	58.4	100.0	109.4	111.6	112.8	113.2	113.2	113.4	113.7	113.7	113.8
HOUSING GROUP											
Sydney	74.2	100.0	133.8	140.7	147.5	153.4	153.8	155.9	157.4	159.3	160.4
Melbourne	76.0	100.0	135.8	151.2	157.5	161.1	161.3	162.7	163.7	163.8	164.6
Brisbane	67.1	100.0	132.6	137.6	140.5	144.0	144.2	144.5	145.1	145.0	145.2
Adelaide	68.7	100.0	140.0	148.7	153.5	154.9	154.7	156.0	156.5	158.2	158.9
Perth	62.7	100.0	133.5	141.7	146.4	150.9	151.2	152.6	153.3	155.7	156.8
Hobart	70.3	100.0	148.5	156.6	163.8	168.7	169.4	170.3	170.7	173.6	175.7
Six Capitals(a) ..	72.5	100.0	135.2	144.8	150.7	155.0	155.3	156.8	157.9	159.0	159.9
HOUSEHOLD SUPPLIES AND EQUIPMENT GROUP											
Sydney	67.0	100.0	109.6	111.5	113.2	112.8	112.4	112.7	111.0	111.2	111.6
Melbourne	66.1	100.0	110.9	112.5	114.1	114.0	113.8	114.0	112.1	112.4	112.7
Brisbane	68.6	100.0	110.6	111.3	113.0	112.8	112.5	112.9	111.2	111.5	111.7
Adelaide	69.5	100.0	106.0	106.1	106.7	106.2	105.9	106.0	104.0	104.3	104.5
Perth	66.5	100.0	107.1	107.3	107.3	107.0	106.9	107.0	105.0	104.9	105.2
Hobart	68.1	100.0	118.5	121.1	124.3	123.8	123.6	123.8	123.4	123.7	123.8
Six Capitals(a) ..	67.0	100.0	109.8	111.2	112.7	112.4	112.1	112.4	110.6	110.8	111.1
MISCELLANEOUS GROUP											
Sydney	67.7	100.0	124.0	127.1	127.9	129.3	129.8	129.8	130.0	129.6	130.1
Melbourne	64.4	100.0	125.5	129.2	129.3	129.7	129.6	130.1	130.7	130.3	131.0
Brisbane	69.2	100.0	125.6	129.5	133.3	134.4	134.3	134.4	135.2	135.0	135.4
Adelaide	67.2	100.0	118.8	121.4	121.9	121.6	121.6	121.7	122.2	121.8	122.4
Perth	67.7	100.0	120.9	125.2	125.3	125.5	126.0	126.1	126.2	128.2	130.3
Hobart	63.1	100.0	123.3	126.2	127.0	127.0	127.1	127.2	127.3	127.9	128.7
Six Capitals(a) ..	66.6	100.0	123.9	127.3	128.1	128.8	129.0	129.2	129.7	129.5	130.1

(a) Weighted average.

§ 5. Retail Price Index Numbers, 1901 to 1963

The index numbers shown below are presented as a continuous series, but they give only a broad indication of long-term trends in retail price levels. They are derived by linking a number of indexes that differ greatly in scope. The successive indexes used are: from 1901 to 1914, the "A" Series Retail Price Index; from 1914 to 1946-47, the "C" Series Retail Price Index; from 1946-47 to 1948-49, a composite of Consumer Price Index Housing Group (partly estimated) and "C" Series Index excluding Rent; and from 1948-49 to 1963, the Consumer Price Index.

RETAIL PRICE INDEX NUMBERS, 1901 TO 1963

SIX STATE CAPITAL CITIES COMBINED

(Base: Year 1911 = 100)

Year	Index number	Year	Index number
1901	88	1933	133
1902	93	1934	136
1903	91	1935	138
1904	86	1936	141
1905	90	1937	145
1906	90	1938	149
1907	90	1939	153
1908	95	1940	159
1909	95	1941	167
1910	97	1942	181
1911	100	1943	188
1912	110	1944	187
1913	110	1945	187
1914(a)	114	1946	190
1915(a)	130	1947	198
1916(a)	132	1948	218
1917(a)	141	1949	240
1918(a)	150	1950	262
1919(a)	170	1951	313
1920(a)	193	1952	367
1921(a)	168	1953	383
1922(a)	162	1954	386
1923	166	1955	394
1924	164	1956	419
1925	165	1957	429
1926	168	1958	435
1927	166	1959	443
1928	167	1960	459
1929	171	1961	471
1930	162	1962	469
1931	145	1963	472
1932	138		

(a) November.

§ 6. International Comparisons

The following table shows index numbers of consumer (retail) prices for various countries. Except where otherwise noted, the year 1958 is taken as base (= 100). The index numbers show fluctuations in prices in each country, and do not measure relative price levels as between countries.

INDEX NUMBERS OF CONSUMER (RETAIL) PRICES IN VARIOUS COUNTRIES

(Source: *Monthly Bulletin of Statistics* of the Statistical Office of the United Nations)

(Base: 1958 = 100)

ALL GROUPS INDEXES

Period	Argentina (Buenos Aires)	Australia (a)	Belgium	Brazil (Sao Paulo)	Canada	France (b)	Germany, Fed. Rep.	India	Indonesia (Dja- karta)	Ireland	Italy
1955 ..	54	91	93	60	93	83	94	82	..	88	93
1956 ..	60	96	96	73	94	85	96	90	..	92	96
1957 ..	76	99	99	87	97	-87	98	95	..	96	97
1958 ..	100	100	100	100	100	100	100	100	(c) 100	100	100
1959 ..	214	102	101	137	101	106	101	104	126	100	100
1960 ..	-272	106	102	185	102	110	102	106	169	100	102
1961 ..	309	108	103	256	103	114	105	108	209	103	104
1962 ..	396	108	104	390	104	119	109	112	582	108	109
1963 ..	492	109	106	677	106	105	112	115	1,254	110	117
1963—											
March qtr.	454	108	106	543	106	103	112	112	976	110	115
June ..	479	109	106	617	106	104	112	114	1,151	109	116
Sept. ..	494	109	106	717	107	106	111	117	1,278	109	117
Dec. ..	539	109	108	836	107	107	112	119	1,610	112	119

Period	Japan	Nether- lands	New Zea- land	Norway	Pakistan (Kara- chi)	Philip- pines (Manila)	Republic of South Africa (d)	Sweden	Switzer- land	United King- dom	United States of America
1955 ..	97	91	91	89	85	93	92	87	95	89	93
1956 ..	97	92	94	93	89	95	94	91	96	-94	94
1957 ..	100	98	96	95	97	97	97	95	98	97	97
1958 ..	100	100	100	100	100	100	-100	100	100	100	100
1959 ..	101	102	104	-102	97	99	101	101	99	101	101
1960 ..	105	103	105	102	103	103	103	105	101	102	102
1961 ..	110	105	106	105	105	105	105	107	103	105	103
1962 ..	118	108	109	111	104	111	106	112	107	-110	105
1963 ..	127	113	111	114	105	117	107	115	111	112	106
1963—											
March qtr.	124	112	110	114	104	113	107	114	110	112	105
June ..	127	114	111	114	106	114	107	115	110	112	105
Sept. ..	128	112	112	113	106	118	108	116	111	111	106
Dec. ..	128	113	113	113	106	123	108	116	113	112	107

(a) Consumer Price Index converted to base 1958 = 100 by Commonwealth Statistician. (b) Beginning 1963, new index—base: 1962 = 100. Before 1963, index for Paris. (c) Base: Average of March–December, 1958 = 100. (d) Index for Europeans only.

NOTE.—Symbol — on each side of an index number (e.g. -95-) indicates that two series have been linked at that period. Symbol — between two index numbers indicates that it is not possible to link two series (because of change in scope, etc.) and therefore the index numbers are not comparable with each other even though they are shown on the same base period.

WHOLESALE PRICES AND PRICE INDEXES

§ 1. General

Two indexes of wholesale prices have been compiled by the Commonwealth Bureau of Census and Statistics. These are:—

- (i) The Melbourne Wholesale Price Index;
- (ii) The Wholesale Price (Basic Materials and Foodstuffs) Index.

A brief note on the Melbourne Wholesale Price Index, which is now obsolete, is given in § 3 on page 440. After reviewing the list of items and weighting of the Melbourne Wholesale Price Index, the 1930 Conference of Statisticians resolved that a new index of wholesale prices of basic materials and foodstuffs should be compiled. This index, the Wholesale Price (Basic Materials and Foodstuffs) Index, is compiled monthly and extends back to 1928.

§ 2. Wholesale Price (Basic Materials and Foodstuffs) Index

1. **Price Quotations.**—The prices used in the index have in the main been obtained directly from manufacturers and merchants, and, with a few important exceptions, from Melbourne sources. Apart from locally-produced building materials and one or two minor commodities, however, the price movements may be taken as representative of variations in wholesale prices of basic materials in most Australian markets.

Commodities in the index are priced in their primary or basic form wherever possible and in respect of imported materials as nearly as may be at the point where they first make effective impact on the local price structure. Thus the prices of imported goods are not taken at the time of import, but rather on an ex-bond (or into factory) basis.

Broadly, where home-consumption prices exist for local products, they have been used in this index. During the year 1950–51, wool for local manufacture was subsidized, and the home-consumption price for wool was used to calculate the index numbers shown in the table on page 440.

2. **Commodities and Grouping.**—For purposes of this index, "basic" materials (as opposed to certain of the foodstuffs) are commodities in the primary or basic forms in which they first enter into productive processes carried out in Australia. The list of items is divided into seven main groups, each of which is sub-divided into goods which are mainly imported, and goods which are mainly home-produced. The percentage of the total aggregate in 1962–63 contributed by each group was as follows:—Metals and coal, 17.46; oils, fats and waxes, 8.06; textiles, 3.32; chemicals, 3.79; rubber and hides, 1.56; building materials, 11.03; foodstuffs and tobacco, 54.78. Goods principally imported comprised 23.63 per cent. of the total aggregate in 1962–63, and goods principally home-produced, 76.37.

A full list of the commodities and the quantity-multipliers (weights) is published in *Labour Report* No. 49, 1961, page 40.

3. **Method of Construction.**—The index is constructed on the simple aggregative fixed-weights formula. The weights (quantity-multipliers) are based on estimates of the average annual consumption of the commodities in Australia during the period 1928–29 to 1934–35 inclusive. Changes in usage, changes of category as between "imported" and "home-produced" for some commodities, and changes in the industrial structure have affected the validity of some of the weights in the index.

During 1956, supplies and prices of potatoes and onions fluctuated violently between abnormally wide limits. These fluctuations were so great as to dominate the movement of the sections of the index in which these items were included, namely, "Foodstuffs and Tobacco", "Goods Principally Home-produced" and "Total, All Groups". In the circumstances, neither seasonal adjustment nor conversion of the index to a "changing weights" formula could be applied to eliminate these fluctuations. Accordingly, in order to provide a representative measure of general trend in wholesale prices, the index was reconstructed as from July, 1936, by omitting potatoes and onions.

Consideration is being given to the enlargement of the index to cover additional groups and to revision of the weighting pattern of the index.

4. **Index Numbers.**—Index numbers for each group of commodities and for all groups combined for the index of wholesale prices of basic materials and foodstuffs are given in the following table. Current index numbers, on the base: Average of three years ended June, 1939 = 100, are published monthly in the mimeographed statistical bulletin *Wholesale Price (Basic Materials and Foodstuffs) Index* and in the *Monthly Review of Business Statistics*. A table showing index numbers computed to the base 1928 = 100 is published in the *Labour Report*.

WHOLESALE PRICE (BASIC MATERIALS AND FOODSTUFFS) INDEX NUMBERS

(Base of each Index: Average of 3 years ended June, 1939 = 100)

Period	Basic Materials							Food-stuffs and Tobacco (a)	Basic Materials and Foodstuffs		
	Metals and Coal	Oils, Fats and Waxes	Textiles	Chemicals	Rubber and Hides	Building Materials	Total		Goods principally imported (b)	Goods principally home produced (a)	Total, All Groups (a)
1928-29	127	106	129	121	115	95	114	107	91	118	110
1929-30	126	111	99	116	87	94	107	110	94	118	111
1930-31	116	117	80	117	73	96	105	91	100	99	99
1931-32	108	113	77	119	74	95	101	86	100	92	95
1932-33	104	109	75	119	69	95	98	80	97	87	90
1933-34	103	84	102	111	80	94	92	84	89	89	90
1934-35	97	90	78	102	77	93	89	87	92	89	90
1935-36	92	95	100	99	88	93	90	92	95	92	93
1936-37	96	99	118	99	111	99	99	98	99	98	99
1937-38	101	101	100	100	97	104	102	102	102	101	101
1938-39	103	100	82	101	92	97	99	101	99	100	100
1939-40	105	115	104	107	116	108	109	99	111	101	104
1940-41	107	137	111	124	126	128	122	107	133	106	114
1941-42	117	151	118	137	135	135	133	116	153	112	124
1942-43	129	167	147	142	138	163	149	126	176	120	136
1943-44	131	170	150	143	140	174	153	130	182	122	140
1944-45	131	168	152	143	140	175	152	132	182	124	141
1945-46	130	156	152	142	140	177	149	136	178	127	142
1946-47	132	145	191	140	131	180	149	139	177	130	144
1947-48	146	161	283	148	126	190	166	154	192	145	159
1948-49	185	173	342	159	130	198	188	174	201	172	180
1949-50	214	184	434	187	143	225	214	196	223	196	204
1950-51	256	196	641	242	292	268	264	229	256	240	244
1951-52	343	220	577	314	298	370	321	276	288	300	297
1952-53	392	234	607	350	224	404	350	293	292	331	319
1953-54	388	222	566	323	191	363	332	308	271	339	319
1954-55	391	214	510	314	246	372	330	315	277	340	322
1955-56	404	220	456	317	328	415	345	325	292	352	334
1956-57	409	241	520	344	302	463	367	324	311	357	344
1957-58	398	238	437	349	280	453	355	325	301	355	339
1958-59	392	231	362	327	293	423	340	332	283	358	336
1959-60	395	225	403	331	379	431	347	348	281	375	348
1960-61	399	222	387	331	341	439	346	372	278	394	360
1961-62	392	212	400	333	302	439	340	332	270	363	336
1962-63	388	209	432	317	262	439	336	342	272	368	340
1963-64—											
July ..	385	209	468	316	227	449	338	359	271	382	349
August	383	209	458	283	223	462	336	359	274	380	348
September	383	207	461	283	213	462	335	359	274	379	348
October	385	207	476	283	210	468	338	351	276	374	345
November	384	207	506	283	216	468	339	345	276	370	342
December	383	207	501	283	219	469	339	339	276	366	339
January	381	208	506	283	220	470	339	341	275	368	340
February	381	208	511	284	220	484	342	343	277	370	343
March ..	382	208	512	284	220	486	343	350	277	376	347

(a) Excludes potatoes and onions from 1936-37. See para. 3 on p. 439. (b) Represents only such imported commodities as are included in the Wholesale Price Index and does not measure charges in the prices of all imports.

§ 3. Melbourne Wholesale Price Index

An index of Melbourne wholesale prices was first compiled in 1912. It related chiefly to basic materials and foods weighted in accordance with consumption in the years immediately preceding that date. Neither the list of items nor the weighting was varied, except for some changes in the building materials group in 1949. The series has some historical significance as a measure of changes in the prices, since the year 1861, of its component items combined in the proportions in which they were in common use about the year 1910. A description of the index and a list of the commodities included in it were published in *Labour Report* No. 38, 1949, pages 43-45. Index numbers up to the year 1961, the last period for which the index was compiled, were published in *Official Year Book* No. 48, 1962.

EXPORT PRICES AND PRICE INDEXES

§ 1. Previous Export Price Indexes

1. 1901 to 1917.—An annual index of export prices has been published by the Bureau since its inception. The first index was compiled annually for the years 1901 to 1916–17. The method of computation was to select all articles of export which were recorded by units of quantity, and to apply to the quantities of these export commodities actually exported during any year the average price per unit ruling in the year 1901 (adopted as the base year). The "total value" so obtained was divided into the total recorded value of these exports for the year concerned and the result (multiplied by 1,000) was the export price index number for that year.

2. 1918 to 1930.—The method was changed in 1918. Weights for all principal exports were calculated, based on the average quantities of exports for the nineteen and a half years from 1st January, 1897, to 30th June, 1916. To these weights were applied the "average unit export values" of each export in successive years, and a weighted aggregative index of "price" variations was derived. This index was published for the years 1897 to 1929–30. Particulars of this index were last published in Official Year Book No. 24, page 147.

3. 1928 to 1962.—(i) *General*. After the 1914–18 War, the relative importance of different exports changed considerably, and the pattern of exports varied considerably from year to year. For these reasons, two new series of monthly export price indexes—one using fixed weights and the other using changing weights—were published in 1937, compiled back to 1928. The data on which both series were based differed from those used in the previous series of annual index numbers. The most important change was the use of actual (or calculated) export prices in place of the "unit values" declared at the Customs. Brief notes on these two indexes are given below. A full description of both indexes was last published in Official Year Book No. 48, 1962, pages 500–4.

(ii) *The Fixed Weights Index*. This was a weighted aggregative index of price variations. It was compiled back to 1928, with that year taken as base. In later years, it was published on the base: Average of three years ended June, 1939 = 100. The original weights (used for the period 1928 to 1936) were the average annual exports (production in the case of gold) during the five years 1928–29 to 1932–33. From July, 1936, the weights were revised and were based on average annual exports (production in the case of gold) during the three years 1933–34 to 1935–36. This index was published from 1937 until July, 1962, after which it was replaced by the current Export Price Index described in § 2 below.

(iii) *The Changing Weights Index*. This index was designed for shorter period comparisons—from one or more months of the current year to the corresponding months of the previous year. In computing these index numbers, the "quantity multipliers" were the quantities actually exported (sold, in some cases) in the months (or periods) to which the index numbers relate. This index was discontinued in 1962.

§ 2. The Current Export Price Index

1. *General*.—The current Export Price Index was first published in August, 1962, but index numbers were compiled back to July, 1959. The reference base of this index is: Year 1959–60 = 100. This index is a fixed-weights index, and its purpose (as was that of the previous fixed-weights index) is to provide comparisons monthly, over a limited number of years, of the level of export prices of the selected items, making no allowance for variations in quantities exported. The index numbers are thus measures of price change only. The price series used in the index relate to specified standards for each commodity and in most cases are combinations of prices for a number of representative grades, types, etc. For some commodities, price movements in the predominant market, or markets, are used, while for other commodities average realizations in all export markets are used. As nearly as possible, prices used are on the basis f.o.b. at the main Australian ports of export. The index is compiled by the method known as "weighted average of price relatives".

2. *Composition and Weighting*.—There are 29 items in the current index compared with 20 items in the previous index. These 29 items have constituted approximately 83 per cent. of the total value of Australian exports in recent years. (The 20 items in the previous index, which in pre-war years constituted about 85 per cent. of total exports, and for most of the post-war period averaged about 80 per cent. of total exports, in recent years constituted about 73 per cent. of total exports.) The weights for the current index are based on average

annual values of exports during the five years 1956-57 to 1960-61, whereas the weights for the previous index were based on average annual exports during the three years 1933-34 to 1935-36. A comparison of the old and new indexes, showing percentage contributions of the various items to the total index in the year 1959-60, is set out in the table below.

COMPARISON OF PREVIOUS AND CURRENT EXPORT PRICE INDEXES
PERCENTAGE CONTRIBUTION OF ITEMS TO ALL GROUPS INDEXES IN 1959-60

Item	Percentage contribution to All Groups Index	
	Previous Index	Current Index
Wool	51.24	50.73
Beef	4.68	6.71
Lamb	2.22	0.76
Mutton	0.36	0.59
Pork	0.32	(a)
Canned beef	(a)	1.65
Canned mutton	(a)	0.21
Processed milk	(a)	1.36
Butter	9.46	4.02
Cheese	(a)	0.64
Eggs	(a)	0.47
Wheat and flour	15.02	10.11
Barley	(a)	1.77
Oats	(a)	0.66
Sultanas	1.21	1.06
Raisins	0.10	(b)
Currants	0.35	0.12
Canned pineapples	(a)	0.20
Canned apricots	(a)	0.11
Canned peaches	(a)	0.37
Canned pears	(a)	0.68
Sugar	2.89	3.99
Cattle hides	0.55	0.72
Calf skins	0.09	(c)
Tallow	0.51	0.54
Coal	(a)	0.63
Iron and steel	(a)	3.48
Copper	0.27	1.57
Tin	0.27	(a)
Zinc	2.50	1.23
Lead	4.07	2.97
Silver	0.61	0.66
Gold	3.28	1.99
Total	100.00	100.00

(a) Not included. (b) Included in weight for sultanas. (c) Included in weight for cattle hides.

The following table sets out a list of the items, and groups of items, in the new index, together with the percentage contribution of each item and group to the All Groups index in the reference base year 1959-60. The weights used for some of the items are adjusted to cover some related commodities which are not priced directly. The most important instances of this are wool, which includes wool exported on sheepskins, and copper, zinc, lead and silver, which include the estimated metallic content of ores and concentrates exported. In the previous index, the weight for gold was derived from production instead of export figures. For the period 1956-57 to 1960-61, production and exports of gold were similar, and therefore in the new index the weight for gold (as for the other items) is based on average annual exports during the period.

EXPORT PRICE INDEX

LIST OF ITEMS AND PERCENTAGE CONTRIBUTION OF ITEMS AND GROUPS TO
ALL GROUPS INDEX IN 1959-60

Group and item	Percentage contribution to All Groups Index
<i>Wool</i>	50.73
Meats—	
Beef	6.71
Lamb	0.76
Mutton	0.59
Canned—Beef	1.65
Mutton	0.21
<i>Total, Meats</i>	9.92
Dairy Produce—	
Processed milk	1.36
Butter	4.02
Cheese	0.64
Eggs	0.47
<i>Total, Dairy Produce</i>	6.49
Cereals—	
Wheat and flour	10.11
Barley	1.77
Oats	0.66
<i>Total, Cereals</i>	12.54
Dried and Canned Fruits—	
Dried—Sultanas	1.06
Currants	0.12
Canned—Pineapples	0.20
Apricots	0.11
Peaches	0.37
Pears	0.68
<i>Total, Dried and Canned Fruits</i>	2.54
<i>Sugar</i>	3.99
Hides and Tallow—	
Cattle hides	0.72
Tallow	0.54
<i>Total, Hides and Tallow</i>	1.26
Metals and Coal—	
Coal	0.63
Iron and steel	3.48
Copper	1.57
Zinc	1.23
Lead	2.97
Silver	0.66
<i>Total, Metals and Coal</i>	10.54
<i>Gold</i>	1.99
Total	100.00

3. Index Numbers.—Index numbers for each of the groups and "All Groups" are shown in the table below. The yearly index numbers are simple averages of the twelve monthly index numbers in each year.

EXPORT PRICE INDEX NUMBERS

(Base of each Index: Year 1959-60 = 100)

Period	Wool	Meats	Dairy Produce	Cereals	Dried and Canned Fruits	Sugar	Hides and Tallow	Metals and Coal	Gold	All Groups
1959-60 ..	100	100	100	100	100	100	100	100	100	100
1960-61 ..	92	104	82	99	99	101	92	97	100	95
1961-62 ..	97	100	81	106	95	91	84	91	100	96
1962-63 ..	104	101	88	107	p 90	107	72	89	100	p101
1960-61—										
July ..	92	105	89	99	96	98	88	100	100	95
August ..	85	103	86	98	96	99	88	99	100	91
September ..	86	102	82	102	98	102	95	98	100	92
October ..	85	101	85	102	98	103	97	97	101	92
November ..	89	98	84	100	99	98	96	97	101	93
December ..	88	99	83	99	99	99	92	95	101	92
January ..	89	100	82	98	99	97	92	95	101	92
February ..	92	108	80	98	100	98	92	95	101	95
March ..	94	110	78	98	100	98	96	96	100	96
April ..	101	109	78	99	98	101	94	95	100	99
May ..	101	107	78	99	101	100	90	97	100	99
June ..	99	108	78	99	101	117	88	95	100	99
1961-62—										
July ..	(a) 99	101	78	100	100	110	90	93	100	98
August ..	99	101	78	101	98	102	92	93	101	98
September ..	98	100	78	101	98	94	90	91	100	96
October ..	94	103	77	102	96	90	86	90	100	94
November ..	92	100	79	102	95	87	83	91	100	93
December ..	92	99	84	105	96	89	83	91	100	94
January ..	92	101	83	107	95	87	83	90	100	94
February ..	98	101	83	108	93	82	82	91	100	97
March ..	99	97	83	107	93	84	81	91	100	97
April ..	99	97	82	111	93	90	81	90	100	98
May ..	99	97	82	112	93	85	79	90	100	98
June ..	99	97	86	112	92	87	78	90	100	98
1962-63—										
July ..	98	99	85	112	90	86	76	89	100	97
August ..	92	101	85	112	91	88	75	86	100	94
September ..	92	102	85	111	91	86	74	87	100	94
October ..	96	102	85	109	91	92	74	86	100	96
November ..	98	102	88	110	91	91	74	88	100	97
December ..	101	101	88	105	91	94	74	88	100	98
January ..	112	101	88	105	91	93	73	88	100	104
February ..	110	101	88	104	91	109	70	91	100	104
March ..	112	99	90	104	89	128	69	91	100	105
April ..	112	98	90	104	88	121	69	91	100	105
May ..	112	100	90	104	88	128	68	90	100	105
June ..	115	102	93	103	p 89	165	68	95	100	p109
1963-64—										
July ..	114	103	94	103	p 92	164	67	94	100	p109
August ..	110	103	94	102	p 93	165	66	96	100	p107
September ..	112	105	94	102	p 97	159	64	94	100	p108
October ..	117	105	94	107	p 98	163	68	96	100	p111
November ..	128	103	94	107	p 99	198	74	96	100	p118
December ..	126	p100	94	109	p100	187	74	101	100	p117
January ..	128	p 99	92	111	p100	rp205	73	104	100	p119
February ..	130	p101	91	111	p100	p191	73	104	100	p120
March ..	p130	p105	91	109	p 98	p192	74	p104	100	p120

(a) Nominal.

4. Link between Current and Previous Indexes.—In order to show approximate movements in export prices over a long period, the "All Groups" indexes of the previous and current series have been linked together at the year 1959-60, the earliest year for which the new index has been compiled. The table below shows this linked series and a long-term price index for wool, which is the most important single component in the movement of the "All Groups" index.

EXPORT PRICE INDEX NUMBERS—LINKED SERIES

(Base of each Index: Year 1959-60 = 100)

Period							Wool	All Groups
1936-37	..	..	..	..	..	..	29	30
1937-38	..	..	..	..	..	..	23	27
1938-39	..	..	..	..	..	..	19	22
1939-40	..	..	..	..	..	..	23	26
1940-41	..	..	..	..	..	..	24	28
1941-42	..	..	..	..	..	..	24	28
1942-43	..	..	..	..	..	..	28	30
1943-44	..	..	..	..	..	..	28	31
1944-45	..	..	..	..	..	..	28	34
1945-46	..	..	..	..	..	..	28	39
1946-47	..	..	..	..	..	..	41	54
1947-48	..	..	..	..	..	..	68	75
1948-49	..	..	..	..	..	..	86	88
1949-50	..	..	..	..	..	..	111	101
1950-51	..	..	..	..	..	..	235	173
1951-52	..	..	..	..	..	..	133	125
1952-53	..	..	..	..	..	..	145	128
1953-54	..	..	..	..	..	..	145	125
1954-55	..	..	..	..	..	..	127	114
1955-56	..	..	..	..	..	..	109	105
1956-57	..	..	..	..	..	..	136	117
1957-58	..	..	..	..	..	..	111	102
1958-59	..	..	..	..	..	..	85	90
1959-60	..	..	..	..	..	..	100	100
1960-61	..	..	..	..	..	..	92	95
1961-62	..	..	..	..	..	..	97	96
1962-63	..	..	..	..	..	..	104	p 101
1963-64—								
July	..	..	..	..	..	..	114	p 109
August	..	..	..	..	..	..	110	p 107
September	..	..	..	..	..	..	112	p 108
October	..	..	..	..	..	..	117	p 111
November	..	..	..	..	..	..	128	p 118
December	..	..	..	..	..	..	126	p 117
January	..	..	..	..	..	..	128	p 119
February	..	..	..	..	..	..	130	p 120
March	..	..	..	..	..	..	p 130	p 120

CONTROL OF PRICES DURING AND SINCE THE 1939-45 WAR

An account of the measures taken by the Commonwealth Government to control prices from September, 1939, until 29th May, 1948 (the date of the Prices Referendum), was given in Official Year Book No. 37, pages 458-64. Subsequent measures for price control by the States consequent upon the rejection of the proposal in the Prices Referendum of 29th May, 1948, that permanent power to control rents and prices be conferred on the Commonwealth Government, are described in issues up to No. 49. Particulars of the amounts expended by the Commonwealth Government for the purpose of stabilizing prices are given in Year Book No. 38, page 414, and in later issues.

WAGES, EARNINGS AND HOURS

§ 1. Arbitration and Wages Boards Acts and Associated Legislation

1. **General.**—Particulars regarding the operation of Commonwealth and State Laws for the regulation of wages, hours and other conditions of employment were first compiled for the year 1913, and revised particulars have appeared annually in the *Labour Report* and in issues of the Official Year Book prior to No. 38. A summary of the Commonwealth legislation and brief particulars of Commonwealth and State industrial tribunals are given in the following paragraphs.

2. **Commonwealth.**—Under placitum (xxxv) of section 51 of the Commonwealth of Australia Constitution, the Commonwealth Parliament is empowered to make laws with respect to "conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State". The Parliament has made such a law, namely the *Conciliation and Arbitration Act 1904-1961*.

This Act defines an "industrial dispute" as "(a) A dispute (including a threatened, impending or probable dispute) as to industrial matters which extends beyond the limits of any State; and (b) a situation which is likely to give rise to a dispute as to industrial matters which so extends; and includes—(c) such a dispute in relation to employment in an industry carried on by, or under the control of, a State or an authority of a State; (d) a dispute in relation to employment in an industry carried on by, or under the control of, the Commonwealth or an authority of the Commonwealth, whether or not the dispute extends beyond the limits of any one State; and (e) a claim which an organization is entitled to submit to the Commission under section eleven A of the *Public Service Arbitration Act 1920-1960* or an application or matter which the Public Service Arbitrator has refrained from hearing, or from further hearing, or from determining under section fourteen A of that Act, whether or not there exists in relation to the claim, application or matter a dispute as to industrial matters which extends beyond the limits of any one State."

The Conciliation and Arbitration Act was extensively amended by an Act (No. 44 of 1956) assented to on 30th June, 1956. This amendment altered the structure of the arbitration machinery by separating the judicial functions from the conciliation and arbitration functions. The Commonwealth Industrial Court was established to deal with judicial matters under the Act and the Commonwealth Conciliation and Arbitration Commission to handle the functions of conciliation and arbitration. A summary of the provisions of the *Conciliation and Arbitration Act 1904-1961* is given in the following paragraphs.

The Commonwealth Industrial Court is at present composed of a Chief Judge and three other Judges. The jurisdiction of the Court shall be exercised by not less than two Judges, except in the following circumstances. A single Judge may exercise the jurisdiction of the Court with respect to the dismissal or injury of an employee on account of industrial action, interpretation of awards, questions concerning eligibility of membership of an organization, disputes between an organization and its members and a prescribed matter of practice or procedure. A single Judge may refer a question of law for the opinion of the Court constituted by not less than two Judges. The Court is a Superior Court of Record with the same power to punish contempts of its power and authority as is possessed by the High Court. In general, decisions of the Industrial Court are final; however, an appeal lies to the High Court, but only when the latter grants leave to appeal. The Act provides for the registration of associations of employees and employers, and for inquiries to be held concerning disputed elections in organizations; and certain powers in connexion therewith are, by the Act, given to the Industrial Court. Provision is also made for the Commission to exercise the powers of the Court with regard to an application for cancellation of registration of an organization. Any such change of jurisdiction must be notified by proclamation. This provision could be used if the powers of the Court in this regard were declared, in whole or in part, to be invalid.

Special provision is made concerning the right of audience before the Commonwealth Industrial Court. Briefly, except in proceedings which, in general, involve questions of law or offences against the Act, parties are able to elect whether to appear personally or to be represented by lawyers or officials. Even in proceedings involving questions of law, except appeals from decisions by other Courts to the Industrial Court, on matters arising under this Act or the *Public Service Arbitration Act 1920-1960*, the parties may, if they wish and the Court grants leave, be represented by officials.

The Commonwealth Conciliation and Arbitration Commission at present consists of a President, five Deputy Presidents, a Senior Commissioner, ten Commissioners and three Conciliators. The Commission is empowered to prevent or settle industrial disputes by conciliation or arbitration, and to make suggestions and to do such things as appear right and proper for (a) effecting a reconciliation between parties to industrial disputes; (b) preventing and settling industrial disputes by amicable agreement; and (c) preventing and settling, by conciliation or arbitration, industrial disputes not prevented or settled by amicable agreement. The Commission may exercise its powers of its own motion or on the application of a party.

The President may assign a Commissioner to deal with industrial disputes relating to particular industries, or members of the Commission to deal with a particular industrial dispute. However, subject to the approval of the President, it is the duty of the Senior Commissioner to organize and allocate the work of the Commissioners and Conciliators.

When an industrial dispute occurs or is likely to occur, a Commissioner shall take steps for the prompt prevention or settlement of that dispute by conciliation or, if in his opinion conciliation is unlikely to succeed or has failed, by arbitration. A Commissioner may arrange with the Senior Commissioner for a Conciliator to assist the parties to reach an amicable agreement and shall do so if the parties so request. If an agreement is reached, a memorandum of its terms shall be made in writing, and may be certified by the Commission. A certified memorandum shall have the same effect as an award.

Only the Commission in Presidential Session, that is, the Commission constituted by at least three presidential members nominated by the President, has the power to make awards, or to certify agreements, concerning standard hours, basic wages and long-service leave.

Upon application by a party to an industrial dispute, a Commissioner shall consult with the President as to whether in the public interest any matter in dispute should be dealt with by a Commission constituted by not less than three members nominated by the President, at least one of whom shall be a presidential member and one, where practicable, the Commissioner concerned. The President may direct the Commission to hear the matter in dispute; however, after consideration, the Commission may refer the matter in dispute back for determination to the Commissioner originally dealing with the dispute.

An appeal against the decision of a Commissioner shall be heard by not less than three members nominated by the President, of whom at least two shall be presidential members of the Commission. However, an appeal will not be heard unless the Commission considers it is necessary as a matter of public interest. The President, after taking account of the views of the parties to a dispute, may appoint a member of the Commission to take evidence on behalf of a presidential bench of the Commission, so that it may have this evidence before it when it commences its hearing.

Full benches of the Commission not constituted by the same persons may sit in joint session at the direction of the President when he considers it desirable and has the opinion that a question is common to the matters before those benches. A joint session may be held whether the benches concerned are constituted pursuant to the Conciliation and Arbitration Act or the Public Service Arbitration Act, and whether they are constituted to hear references or appeals. However, it is left to each appropriate full bench to determine any of the matters before it.

Provision is also made in the Act for a presidential member of the Commission to handle industrial matters in connexion with the maritime industries, the Snowy Mountains Area and the stevedoring industry, except in those matters for which the Act requires that the Commission shall be constituted by more than one member.

The Commonwealth Conciliation and Arbitration Commission also deals with disputes and industrial matters, interstate or intra-state, associated with undertakings or projects of the Commonwealth Government which have been declared by the Minister to be Commonwealth projects for the purposes of this Act. In effect, this places employees of Commonwealth projects, so declared, under the jurisdiction of the Commission. The Minister has the power to exempt certain persons or classes of persons working on these projects from the jurisdiction of the Commission.

The Commission may make an award in relation to an industrial dispute concerning employees of a Commonwealth project or when the Public Service Arbitrator refrains from

dealing with claims made by a Public Service employee organization or consents to the claims being presented to the Commission, though such an award may be inconsistent with a law of the Commonwealth relating to salaries, wages, rates of pay or terms or conditions of service of employees in the Public Service as defined by section three of the *Public Service Arbitration Act 1920-1960*, not being the *Commonwealth Employees' Compensation Act 1930-1962*, the *Commonwealth Employees' Furlough Act 1943-1959*, the *Superannuation Act 1922-1963* or any other prescribed Act.

The Act provides that where a State law, or an order, award, decision or determination of a State industrial authority is inconsistent with or deals with a matter dealt with in an award of the Commission, the latter shall prevail, and the former, to the extent of the inconsistency or in relation to the matter dealt with, shall be invalid.

For further particulars regarding Commonwealth arbitration legislation, see the annual *Labour Report*.

For information concerning the Australian Stevedoring Industry Authority and the Coal Industry Tribunal see the Transport and Communication chapter and the Mineral Industry chapter respectively of this Year Book, and for further information on the Commonwealth Public Service Arbitrator see the *Labour Report*.

3. States.—In each State, Industrial Tribunals have been established to regulate and arbitrate in industrial matters. Brief particulars are given in the following paragraphs.

(i) *New South Wales*. The controlling authority is the Industrial Commission of New South Wales, consisting of a President and seven other Judges. Subsidiary tribunals are the Conciliation Commissioners, the Apprenticeship Commissioner, Conciliation Committees and Apprenticeship Councils constituted for particular industries. Each Conciliation Committee consists of a Conciliation Commissioner as Chairman and equal numbers of representatives of employers and employees. The Apprenticeship Commissioner and the members of the Conciliation Committee for an industry constitute the Apprenticeship Council for the industry. These subsidiary tribunals may make awards binding on industries, but an appeal to the Industrial Commission may be made against any award. Special Commissioners with conciliatory powers and limited arbitration powers may be appointed. Compulsory control commenced in 1901, after the earlier Acts of 1892 and 1899 providing for voluntary submission of matters in dispute had proved abortive.

(ii) *Victoria*. The authorities are separate Wages Boards for the occupations and industries covered, each consisting of a chairman and equal numbers of representatives of employers and employees, and a Court of Industrial Appeals, the latter presided over by a Judge of the County Court. The system was instituted in the State in 1896, and represented the first example in Australia of legal regulation of wage rates.

(iii) *Queensland*. Legal control was first instituted in 1907 with the passing of the Wages Board Act. The *Industrial Conciliation and Arbitration Act 1961* established the Industrial Conciliation and Arbitration Commission and preserved and continued in existence the Industrial Court. The Industrial Court is constituted by the President (a Judge of the Supreme Court of Queensland) sitting alone, and the Full Industrial Court by the President and two Commissioners. The Conciliation and Arbitration Commission is constituted by a Commissioner sitting alone; and the Full Bench of the Commission by at least three Commissioners. Not more than five Commissioners shall be appointed. A Commissioner shall not be capable of being a member of the Executive Council or of the Legislative Assembly, and shall not take part in the management of any business.

(iv) *South Australia*. The principal tribunal is the Industrial Court of South Australia, composed of the President (a person eligible for appointment as a Judge of the Supreme Court) who may be joined by two assessors employed in the industry concerned; Deputy Presidents may also be appointed. There are also Industrial Boards, for the various industries, consisting of a chairman and equal numbers of representatives of employers and employees. Another tribunal provided for under the Industrial Code is the Board of Industry, composed of a President, who shall be the President or a Deputy President of the Industrial Court, and four Commissioners. Broadly speaking, the functions of these three tribunals are:—(i) the Industrial Court delivers awards concerning workers who do not

come under the jurisdiction of the Industrial Boards, appoints Boards of Reference and hears appeals from decisions of Industrial Boards and Boards of Reference; (ii) the determinations of the Industrial Boards apply to most industries in the metropolitan area; however, for employees of the Public Service, Railways, and councils of a municipality or district, determinations of Industrial Boards apply to the whole of the State; (iii) the Board of Industry declares, for the whole of the State, the "living wage".

(v) *Western Australia.* The system of control comprises an Arbitration Court, Industrial Boards, Conciliation Committees and a Conciliation Commissioner. Employers and employees are equally represented on both Boards and Committees. The Court consists of a Judge of the Supreme Court and two members. Commissioners may also be appointed by the Minister for the settlement of particular disputes. Legal control dates back to 1900.

In November, 1963, an Act was passed replacing the Arbitration Court and Conciliation Commissioners with a four-man Industrial Commission and establishing a Court of Industrial Appeal to decide judicial matters. The Act became effective in February, 1964. Further particulars will be published in the next issue of this Year Book.

The Western Australian Coal Industry Tribunal, established under the *Mining Act* 1904-1963, has power to determine any industrial matter in the coal mining industry. It consists of a chairman and four other members (two representatives each of employers and employees). Boards of reference may be appointed by the Tribunal and decisions of the Tribunal may be reviewed by the Court of Arbitration on the application of a party subject to the decision.

(vi) *Tasmania.* The authority consists of Wages Boards for separate industries, comprising a Chairman (who is common to all Wages Boards), appointed by the Governor, and equal numbers of representatives of employers and employees, appointed by the Minister administering the Act. The system was instituted in 1910.

§ 2. Rates of Wage and Hours of Work

1. *General.*—This section contains indexes (with base: year 1954 = 100) of minimum weekly and hourly rates of wage and standard hours of work for adult males and adult females for Australia and each State. In the indexes, there are 15 industry groups for adult males and 8 industry groups for adult females. For relevant periods, these indexes replace cognate indexes (base: year 1911 = 1,000 for males and April, 1914 = 1,000 for females) published in issues prior to No. 46, 1960. The current indexes are based on the occupation structure existing in 1954. Weights for each industry and each occupation were derived from two sample surveys made in that year. The first was the Survey of Awards in April, 1954, which showed the number of employees covered by individual awards, determinations and agreements. This provided employee weights for each industry as well as a basis for the Survey of Award Occupations made in November, 1954. This second survey showed the number of employees in each occupation within selected awards, etc., thereby providing occupation weights.

The industrial classification used in the current indexes, shown in the table on page 451, does not differ basically from the previous classification, the alterations being largely in the arrangement of classes. The former Pastoral, Agricultural, etc., group and the Domestic part of the group Amusement, Hotels, Personal Service, etc. are excluded from the current indexes because of coverage difficulties.

The minimum wage rates and standard hours of work used in the current indexes are for representative occupations within each industry. They have been derived entirely from representative awards, determinations and agreements in force at the end of each month or quarter, commencing with March, 1939, for adult males and March, 1951, for adult females. From January, 1957, particulars for adult males have been available as at the end of each month. The index for adult males includes rates and hours for 3,424 award designations. However, as some of these designations are operative within more than one industry,

or in more than one State, the total number of individual award occupations is 2,322. For adult females, the corresponding numbers are 1,103 and 518. Using the industry and occupation weights derived from the surveys described above, these rates and hours were combined to give weighted averages for each industry group for each State and Australia. Weighted averages of the components of the total minimum weekly wage rate, i.e. basic wage, margin and loading, were calculated separately for employees covered by Commonwealth awards, etc., and for those covered by State awards, etc. (see pp. 452 and 455).

Because the indexes are designed to measure movements in prescribed minimum rates of "wages" as distinct from "salaries", those awards, etc., which relate solely or mainly to salary earners are excluded.

A more detailed description of the current indexes of minimum rates of wage and standard hours of work is given in the *Labour Report*, which also contains an extensive tabular presentation of the minimum rates of wage for adult males and females in the principal occupations in the capital city of each State. Further particulars of weekly wage rates and index numbers will be found in the statistical bulletins S.B. 123—*Minimum Weekly Wage Rates, 1939 to 1959*, S.B. 124—*Minimum Weekly Wage Rates, January, 1960 to June, 1962* (containing final figures for the period January to December, 1960) and S.B. 354—*Minimum Weekly Wage Rates, January, 1961 to June, 1963*. Current figures are published in the monthly bulletin *Wage Rates and Earnings*.

2. **Weekly Wage Rates.**—(i) *Adult Males—States.* The following table shows, for each State and Australia, the weighted average minimum weekly rates of wage payable to adult male workers for a full week's work, and index numbers at the dates specified.

WEEKLY WAGE RATES: ADULT MALES, ALL GROUPS(a)

WEIGHTED AVERAGE MINIMUM WEEKLY RATES(b) PAYABLE FOR A FULL WEEK'S WORK (EXCLUDING OVERTIME) AND INDEX NUMBERS OF WAGE RATES

End of—	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Aust.
RATES OF WAGE(c)							
December, 1945 ..	s. d. 122 6	s. d. 121 1	s. d. 118 1	s. d. 116 0	s. d. 120 4	s. d. 115 7	s. d. 120 7
„ 1950 ..	206 2	201 9	195 2	197 11	200 7	198 0	202 0
„ 1955 ..	305 3	295 7	283 6	285 0	300 1	293 7	297 0
„ 1960 ..	362 10	349 11	350 8	342 2	358 1	351 6	355 0
„ 1963 ..	382 2	371 5	369 10	363 6	374 10	372 6	375 0

INDEX NUMBERS

(Base: Weighted Average Weekly Wage Rate for Australia, 1954 = 100)

December, 1945 ..	43.4	42.9	41.8	41.1	42.6	40.9	42.7
„ 1950 ..	73.0	71.4	69.1	70.1	71.0	70.1	71.5
„ 1955 ..	108.1	104.7	100.4	100.9	106.3	104.0	105.2
„ 1960 ..	128.5	123.9	124.2	121.2	126.8	124.5	125.7
„ 1963 ..	135.3	131.5	131.0	128.7	132.7	131.9	132.8

(a) Excludes rural. (b) As prescribed in awards, determinations and agreements. (c) The amounts shown should not be regarded as actual current averages, but as an index expressed in money terms, indicative of trends.

(ii) *Adult Males—Industry Groups.* The following table shows for Australia the weighted average minimum weekly rates of wage and index numbers in each industry group and for all groups (excluding rural) at the dates specified.

WEEKLY WAGE RATES: ADULT MALES, INDUSTRY GROUPS, AUSTRALIA
 WEIGHTED AVERAGE MINIMUM WEEKLY RATES(a) PAYABLE FOR A FULL WEEK'S WORK
 (EXCLUDING OVERTIME) AND INDEX NUMBERS OF WAGE RATES

Industry group	End of December—									
	1945	1950	1955	1960	1963					
RATES OF WAGE(b)										
	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>
Mining and quarrying	138	8	259	7	366	10	414	8	438	9
Manufacturing—										
Engineering, metals, vehicles, etc. ..	122	2	201	8	294	9	350	2	369	5
Textiles, clothing and footwear ..	115	10	197	5	285	0	340	5	359	1
Food, drink and tobacco ..	119	11	201	5	295	9	352	3	371	3
Sawmilling, furniture, etc. ..	117	11	196	0	288	10	346	2	363	11
Paper, printing, etc. ..	127	8	214	3	312	6	379	2	399	6
Other manufacturing ..	118	7	197	7	291	4	347	2	366	10
All Manufacturing Groups ..	120	8	200	10	294	1	350	6	369	8
Building and construction	119	8	198	7	295	6	357	6	379	2
Railway services	117	9	195	10	290	11	346	6	367	3
Road and air transport	121	7	197	11	294	3	352	6	370	8
Shipping and stevedoring(c)	117	7	196	7	276	11	344	7	368	6
Communication	123	9	213	4	316	6	384	11	411	3
Wholesale and retail trade	119	5	200	10	297	9	357	1	376	0
Public authority (n.e.i.) and community and business services	113	9	192	1	289	10	348	1	366	10
Amusement, hotels, personal service, etc. All Industry Groups(d)	115	3	192	4	283	7	337	4	354	4
	120	7	202	0	297	0	355	0	375	0

INDEX NUMBERS

(Base: Weighted Average Weekly Wage Rate for Australia, 1954 = 100)

Mining and quarrying	49.1	91.9	129.9	146.8	155.4
Manufacturing—					
Engineering, metals, vehicles, etc. ..	43.3	71.4	104.4	124.0	130.8
Textiles, clothing and footwear ..	41.0	69.9	100.9	120.5	127.1
Food, drink and tobacco ..	42.5	71.3	104.7	124.7	131.5
Sawmilling, furniture, etc. ..	41.8	69.4	102.3	122.6	128.9
Paper, printing, etc. ..	45.2	75.9	110.7	134.3	141.5
Other manufacturing ..	42.0	70.0	103.2	122.9	129.9
All Manufacturing Groups ..	42.7	71.1	104.1	124.1	130.9
Building and construction	42.4	70.3	104.6	126.6	134.3
Railway services	41.7	69.3	103.0	122.7	130.0
Road and air transport	43.0	70.1	104.2	124.8	131.2
Shipping and stevedoring(c)	41.6	69.6	98.1	122.0	130.5
Communication	43.8	75.5	112.1	136.3	145.6
Wholesale and retail trade	42.3	71.1	105.4	126.4	133.1
Public authority (n.e.i.) and community and business services	40.3	68.0	102.6	123.2	129.9
Amusement, hotels, personal service, etc. All Industry Groups(d)	40.8	68.1	100.4	119.4	125.5
	42.7	71.5	105.2	125.7	132.8

(a) As prescribed in awards, determinations and agreements. (b) The amounts shown should not be regarded as actual current averages, but as an index expressed in money terms, indicative of trends. (c) Includes the value of keep, where supplied. (d) Excludes rural.

(iii) *Adult Males—Components of Total Wage Rate.* A dissection of weighted average minimum weekly wage rates for adult males into the three components of the total minimum wage, i.e. basic wage, margin and loading, is given in the following two tables, separate particulars being shown for employees covered by awards, etc., within Commonwealth and

State jurisdictions. For the purposes of the index, the Commonwealth jurisdiction embraces awards of, or agreements registered with, the Commonwealth Conciliation and Arbitration Commission, and determinations of the Commonwealth Public Service Arbitrator. State jurisdictions embrace awards or determinations of, or agreements registered with, State industrial tribunals, together with certain unregistered agreements, where these are dominant in the particular industries to which they refer.

The basic wage rates shown herein are weighted averages of the rates prescribed in awards, etc., for the occupations included in the index for each State. For industries other than mining, metropolitan basic wage rates have generally been used. However, there are a number of occupations for which basic wage rates other than the metropolitan rate are prescribed. Also, in some States at various times, State Government employees under Commonwealth awards have been paid State basic wage rates, and the basic wage rates of some employees have been subject to automatic quarterly adjustments while those of other employees within the same jurisdiction have remained unchanged. In all such cases, the basic wage rate actually paid is used in tables below. For these and other reasons, the weighted average basic wage rates differ, in the majority of cases, from the metropolitan basic wage rates shown in other sections of this chapter.

Margins are minimum amounts, in addition to the basic wage, awarded to particular classifications of employees for features attaching to their work, such as skill, experience, arduousness and other like factors.

Loadings are minimum amounts, in addition to the basic wage and margin (if any), awarded for various kinds of disabilities associated with the performance of work, or to meet particular circumstances. They include payments such as industry loadings and other general loadings prescribed in awards, etc., for the occupations included in the index.

For a more detailed description of this dissection of weekly wage rates into components and for tables for each State and Australia, according to jurisdiction, extending back to 1939, see the statistical bulletins S.B. 123—*Minimum Weekly Wage Rates, 1939 to 1959*, S.B. 124—*Minimum Weekly Wage Rates, January, 1960, to June, 1962* (containing final figures for the period January to December, 1960) and S.B. 354—*Minimum Wage Rates, January, 1961 to June, 1963*.

(a) States. The following table shows the components of the total minimum weekly wage rate for each State and Australia, as at 31st December, 1963, according to jurisdiction.

WEEKLY WAGE RATES: ADULT MALES, COMPONENTS OF TOTAL WAGE RATE, 31st DECEMBER, 1963(a)
WEIGHTED AVERAGES OF MINIMUM WEEKLY RATES(b) PAYABLE FOR A FULL WEEK'S WORK (EXCLUDING OVERTIME)

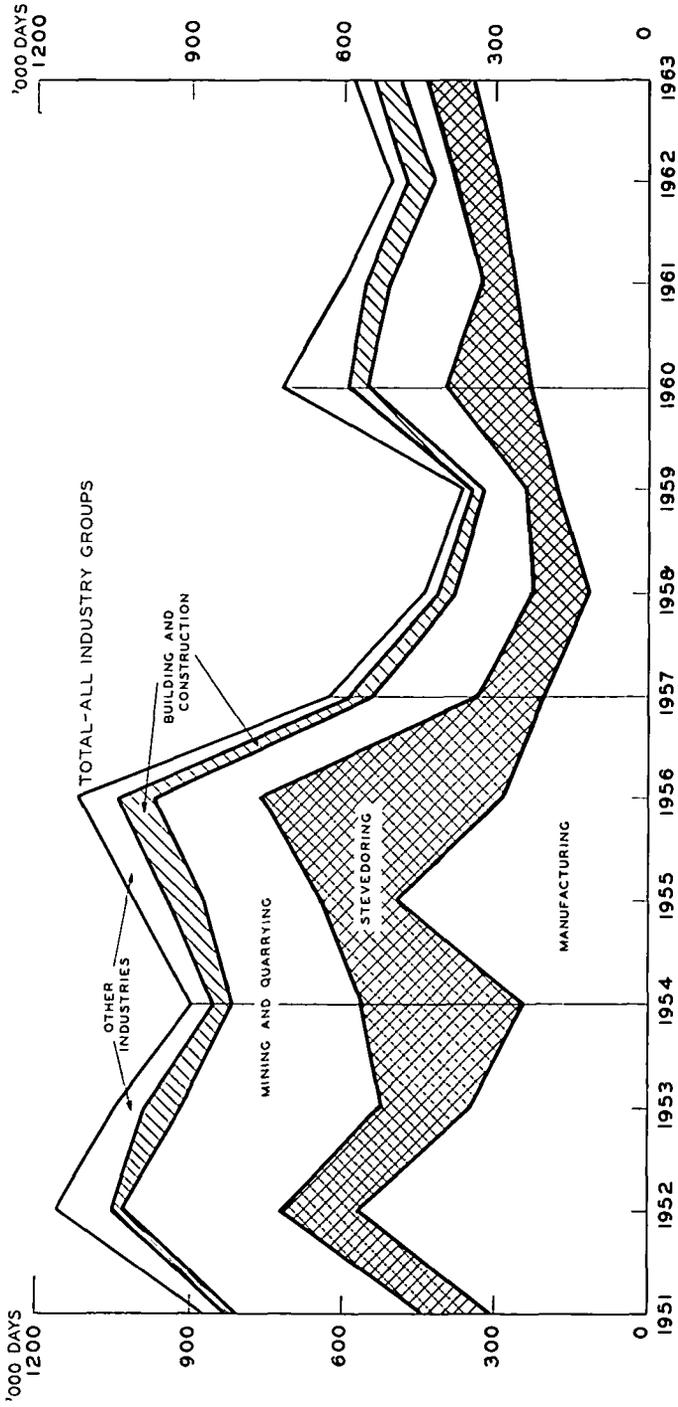
Jurisdiction and components of total wage(c)	N.S.W.		Vic.		Qld		S.A.		W.A.		Tas.		Aust.	
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
Commonwealth Awards, etc.—														
Basic Wage ..	295	3	287	5	279	5	283	6	288	5	293	4	289	10
Margin ..	80	3	74	6	88	1	81	6	97	10	71	2	78	7
Loading ..	5	7	3	8	5	4	2	9	2	10	3	4	4	5
Total Wage ..	381	1	365	7	372	10	367	9	389	1	367	10	372	10
State Awards, etc.—														
Basic Wage ..	302	10	287	9	286	11	283	1	300	11	294	2	295	0
Margin ..	72	10	89	5	76	9	62	4	67	3	75	11	75	6
Loading ..	7	10	7	4	5	5	8	6	4	9	9	7	6	10
Total Wage ..	383	6	384	6	369	1	353	11	372	11	379	8	377	4
All Awards, etc.—														
Basic Wage ..	298	10	287	6	285	5	283	5	299	5	293	8	292	4
Margin ..	76	8	79	2	79	1	75	7	70	10	73	0	77	1
Loading ..	6	8	4	9	5	4	4	6	4	7	5	10	5	7
Total Wage ..	382	2	371	5	369	10	363	6	374	10	372	6	375	0

(a) Excludes rural. The amounts shown should not be regarded as actual current averages, but as an index expressed in money terms, indicative of trends. (b) As prescribed in awards, determinations and agreements.

(c) For definitions, see text above.

INDUSTRIAL DISPUTES, AUSTRALIA, 1951 TO 1963

WORKING DAYS LOST — INDUSTRY GROUPS



(b) *Australia, 1939 to 1963.* The components of the total minimum weekly wage rate for Australia, according to jurisdiction, are shown in the following table.

WEEKLY WAGE RATES: ADULT MALES, COMPONENTS OF TOTAL WAGE RATE, AUSTRALIA(a)

WEIGHTED AVERAGES OF MINIMUM WEEKLY RATES(b) PAYABLE FOR A FULL WEEK'S WORK (EXCLUDING OVERTIME)

Jurisdiction and components of total wage(c)	End of December—					
	1939	1945	1950	1955	1960	1963
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Commonwealth Awards, etc.—						
Basic Wage	79 5	97 3	162 2	239 0	278 2	289 10
Margin	17 3	19 4	35 8	52 8	70 1	78 7
Loading	0 4	4 1	3 11	2 4	3 2	4 5
<i>Total Wage</i>	97 0	120 8	201 9	294 0	351 5	372 10
State Awards, etc.—						
Basic Wage	81 11	98 1	161 8	244 8	285 2	295 0
Margin	17 4	20 0	35 3	50 6	68 5	75 6
Loading	0 6	2 5	5 5	5 0	5 3	6 10
<i>Total Wage</i>	99 9	120 6	202 4	300 2	358 10	377 4
All Awards, etc.—						
Basic Wage	80 8	97 8	161 11	241 10	281 7	292 4
Margin	17 3	19 8	35 6	51 7	69 3	77 1
Loading	0 5	3 3	4 7	3 7	4 2	5 7
<i>Total Wage</i>	98 4	120 7	202 0	297 0	355 0	375 0

For footnotes, see p. 452.

(iv) *Adult Females—States.* The following table shows, for each State and Australia, the weighted average minimum weekly rates of wage payable to adult female workers for a full week's work, and index numbers at the dates specified. This series has not been compiled for years prior to 1951.

WEEKLY WAGE RATES: ADULT FEMALES

WEIGHTED AVERAGE MINIMUM WEEKLY RATES(a) PAYABLE FOR A FULL WEEK'S WORK (EXCLUDING OVERTIME) AND INDEX NUMBERS OF WAGE RATES

End of—	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Aust.
RATES OF WAGE(b)							
	<i>s. d.</i>	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
December, 1951 ..	172 4	172 2	161 2	170 3	162 6	165 7	170 4
„ 1953 ..	200 6	201 4	188 2	199 1	190 2	197 2	198 9
„ 1955 ..	209 8	210 5	194 3	201 9	197 9	200 0	206 11
„ 1960 ..	261 3	246 7	239 4	242 11	251 2	238 10	251 8
„ 1963 ..	274 6	260 7	261 4	255 0	266 5	251 10	266 2

INDEX NUMBERS

(Base: Weighted Average Weekly Wage Rate for Australia, 1954 = 100)

December, 1951 ..	86.6	86.5	81.0	85.5	81.6	83.2	85.6
„ 1953 ..	100.7	101.1	94.5	100.0	95.5	99.0	99.8
„ 1955 ..	105.3	105.7	97.6	101.3	99.3	100.5	103.9
„ 1960 ..	131.2	123.9	120.2	122.0	126.2	120.0	126.4
„ 1963 ..	137.9	130.9	131.3	128.1	133.8	126.5	133.7

(a) As prescribed in awards, determinations and agreements. (b) The amounts shown should not be regarded as actual current averages, but as an index expressed in money terms, indicative of trends.

(v) *Adult Females—Industry Groups.* The following table shows for Australia weighted average minimum weekly rates of wage and index numbers in each of the industry groups in which the number of females employed is important, and the weighted average for all groups combined, at the dates specified.

WEEKLY WAGE RATES: ADULT FEMALES, INDUSTRY GROUPS, AUSTRALIA

WEIGHTED AVERAGE MINIMUM WEEKLY RATES(a) PAYABLE FOR A FULL WEEK'S WORK (EXCLUDING OVERTIME) AND INDEX NUMBERS OF WAGE RATES

Industry group	End of December—					
	1951	1953	1955	1960	1963	
RATES OF WAGE(b)						
Manufacturing—	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>
Engineering, metals, vehicles, etc. ..	170	11	200	7	206	6
Textiles, clothing and footwear ..	171	2	198	9	200	11
Food, drink and tobacco ..	165	9	194	6	206	10
Other manufacturing ..	168	9	197	7	203	7
All Manufacturing Groups ..	169	11	198	3	203	4
Transport and communication ..	177	6	206	5	213	10
Wholesale and retail trade ..	171	1	199	7	213	0
Public authority (n.e.i.) and community and business services ..	170	1	199	1	209	8
Amusement, hotels, personal service, etc. ..	166	9	194	10	201	8
All Industry Groups ..	170	4	198	9	206	11
					257	9
					245	0
					251	8
					261	4
					252	11
					259	2
					260	11
					256	11
					274	11
					280	8
					275	5
					258	3
					266	2

INDEX NUMBERS

(Base: Weighted Average Weekly Wage Rate for Australia, 1954 = 100)

Manufacturing—					
Engineering, metals, vehicles, etc. ..	85.9	100.8	103.7	125.5	131.3
Textiles, clothing and footwear ..	86.0	99.8	100.9	120.9	127.0
Food, drink and tobacco ..	83.3	97.7	103.9	123.7	130.2
Other manufacturing ..	84.8	99.2	102.3	124.6	131.1
All Manufacturing Groups ..	85.4	99.6	102.1	122.9	129.1
Transport and communication ..	89.2	103.7	107.4	130.7	138.1
Wholesale and retail trade ..	85.9	100.3	107.0	132.4	141.0
Public authority (n.e.i.) and community and business services ..	85.4	100.0	105.3	129.5	138.3
Amusement, hotels, personal service, etc. ..	83.8	97.9	101.3	123.1	129.7
All Industry Groups ..	85.6	99.8	103.9	126.4	133.7

(a) As prescribed in awards, determinations and agreements. (b) The amounts shown should not be regarded as actual current averages, but as an index expressed in money terms, indicative of trends.

3. **Standard Hours of Work.—(i) General.** In the fixation of weekly wage rates, most industrial tribunals prescribe the number of hours constituting a full week's work for the wage rates specified. The hours of work so prescribed form the basis of the compilation of the weighted averages and index numbers on pages 458-9. The main features of the reduction of hours to 44 and later to 40 per week are summarized below. In considering such changes, it must be remembered that even within individual States, the authority to alter conditions of work is divided between Commonwealth and State industrial tribunals and the various legislatures, and that the State legislation usually does not apply to employees covered by awards of the Commonwealth Conciliation and Arbitration Commission. However, it may do so in respect of matters not treated in Commonwealth awards.

(ii) *The 44-hour Week.* No permanent reduction to a 44-hour week was effected until 1925, although temporary reductions had been achieved earlier. In 1920, the New South Wales legislature granted a 44-hour week to most industries, but in the following year this provision was withdrawn. Also in 1920, the President of the Commonwealth Court of Conciliation and Arbitration (Higgins J.), after inquiry, granted a 44-hour week to the Timber Workers' Union, and in the following year extended the same privilege to the Amalgamated Society of Engineers. In 1921, however, a reconstituted Commonwealth Court of Conciliation and Arbitration unanimously rejected applications by five trade unions for the shorter standard week and reintroduced the 48-hour week in the case of the above-mentioned two unions then working 44 hours. During 1924, the Queensland Parliament passed legislation to operate from 1st July, 1925, granting the 44-hour standard week to employees whose conditions of work were regulated by awards and agreements of the Queensland State industrial authority. Similar legislative action in New South Wales led to the re-introduction of the 44-hour week in that State as from 4th January, 1926.

In 1927, after an exhaustive inquiry, the Commonwealth Court of Conciliation and Arbitration granted a 44-hour week to the Amalgamated Engineering Union and intimated that this reduction in standard hours of work would be extended to industries operating under conditions similar to those in the engineering industry. Applications for the shorter hours by other unions were, however, treated individually, the nature of the industry, the problem of production, the financial status and the amount of foreign competition being fully investigated. The economic depression delayed the extension of the standard 44-hour week until the subsequent improvement in economic conditions made possible its general extension to employees under Commonwealth awards.

In States other than New South Wales and Queensland, no legislation was passed to reduce the standard hours of work, so that, for employees not covered by Commonwealth awards, the change had to be effected by decisions of the appropriate industrial tribunals. In these cases, the date on which the reduction to 44 hours was implemented depended on the decision of the tribunals in particular industries, employees in some industries receiving the benefit of the reduced hours years ahead of those in others. In these States, the change to the shorter week extended over the years from 1926 to 1941.

(iii) *The 40-hour Week.* (a) *Standard Hours Inquiry, 1947.* Soon after the end of the 1939-45 War, applications were made to the Commonwealth Court of Conciliation and Arbitration for the introduction of a 40-hour week, and the hearing by the Court commenced in October, 1945. Before the Court gave its decision, the New South Wales Parliament passed legislation granting a 40-hour week, operative from 1st July, 1947, to industries and trades regulated by State awards and agreements, and in Queensland similar legislation was introduced in Parliament providing for the 40-hour week to operate from 1st January, 1948.

The Commonwealth Court of Conciliation and Arbitration, in its judgment on 8th September, 1947, granted the reduction to the 40-hour week from the beginning of the first pay-period commencing in January, 1948. The Queensland Act was passed, and was proclaimed on 10th October, 1947. On 27th October, 1947, the South Australian Industrial Court, after hearing applications by unions, approved the incorporation of the 40-hour standard week in awards of that State. The Court of Arbitration of Western Australia on 6th November, 1947, approved that, on application, provision for a 40-hour week could be incorporated in awards of the Court, commencing from 1st January, 1948.

In Victoria and Tasmania, the Wages Boards met and also incorporated the shorter working week in their determinations, so that from the beginning of 1948 practically all employees in Australia whose conditions of labour were regulated by industrial authorities had the advantages of a standard working week of 40 hours or, in certain cases, less.

(b) *Basic Wage and Standard Hours Inquiry, 1952-53.* In the 1952-53 Basic Wage and Standard Hours Inquiry, the employers sought an increase in the standard hours of work per week, claiming that one of the chief causes of the high costs and inflation had been the loss of production due to the introduction of the 40-hour week. This claim was rejected by the Court, as it considered that the employers had not proved that the existing economic situation called for a reduction of general standards in the matter of the ordinary working week. (See also § 5, para. 2 (iii) p. 469.)

(c) *Basic Wage and Standard Hours Inquiry, 1961.* In this case, the employers sought an increase in the number of ordinary working hours from 40 to 42 per week, with a concomitant increase in weekly wages by an amount equal to two hours' pay at ordinary rates. This was to be a temporary measure to have effect for four years, after which time, hours would revert to 40 and the increased wage would remain. The employers submitted that such a measure was called for by the balance of payments crisis, that it would lead to increased productivity at stable prices, and that work in excess of forty hours would be more evenly distributed with consequent financial relief for men not getting overtime work. The Commonwealth Conciliation and Arbitration Commission, which heard the application, was not persuaded that the anticipated consequences would follow, and the claim was rejected. (See also § 5, para. 2 (x) p. 475.)

4. **Hourly Wage Rates.**—(i) *General.* The average rates of wage in the preceding tables are based on the minimum rates prescribed for selected occupations in awards, etc., for a full week's work, excluding overtime. However, the number of hours constituting a full week's work differs in some instances between various occupations in each State, and between the same occupations in the several States. For some purposes, a better comparison may be obtained by reducing the results in the preceding paragraphs to a common basis, namely, the rate of wage per hour. The particulars of weighted average minimum hourly rates of wage given in the following tables relate to all industry groups except Rural, and Shipping and Stevedoring. The Rural industry is not included in the index and Shipping and Stevedoring has been excluded because, for some of the occupations in this group, definite particulars for the computation of average working hours and hourly rates of wage are not available.

(ii) *Adult Males—States.* The following table shows the weighted average minimum hourly rates of wage payable to adult male workers, and index numbers of hourly rates in each State.

HOURLY WAGE RATES(a): ADULT MALES

WEIGHTED AVERAGE MINIMUM HOURLY RATES PAYABLE AND INDEX NUMBERS OF HOURLY RATES

End of—	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Aust.
RATES OF WAGE(b)							
(Pence)							
December, 1945 ..	33.64	33.05	32.63	31.72	32.83	31.71	33.05
„ 1950 ..	61.96	60.58	58.60	59.44	60.35	59.42	60.70
„ 1955 ..	91.89	88.87	85.22	85.68	90.50	88.45	89.36
„ 1960 ..	109.09	105.08	105.35	102.73	107.87	105.70	106.71
„ 1963 ..	114.89	111.51	111.06	109.14	112.86	111.93	112.66
INDEX NUMBERS							
(Base: Weighted Average Hourly Wage Rate for Australia, 1954 = 100)							
December, 1945 ..	39.6	38.9	38.4	37.4	38.7	37.3	38.9
„ 1950 ..	73.0	71.4	69.0	70.0	71.1	70.0	71.5
„ 1955 ..	108.2	104.7	100.4	100.9	106.6	104.2	105.3
„ 1960 ..	128.5	123.8	124.1	121.0	127.1	124.5	125.7
„ 1963 ..	135.3	131.3	130.8	128.6	132.9	131.8	132.7

(a) Weighted average hourly rates of wage for all industry groups except rural, and shipping and stevedoring. See para. 4 (i) above. (b) The amounts shown should not be regarded as actual current averages, but as an index expressed in money terms, indicative of trends.

(iii) *Adult Females—States.* The following table shows the weighted average minimum hourly rates of wage payable to adult female workers, and index numbers of hourly rates in each State.

HOURLY WAGE RATES: ADULT FEMALES

WEIGHTED AVERAGE MINIMUM HOURLY RATES PAYABLE AND INDEX NUMBERS OF HOURLY RATES

End of—	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Aust.
RATES OF WAGE(a)							
(Pence)							
December, 1951 ..	52.30	51.90	48.72	51.37	49.02	50.23	51.51
„ 1953 ..	60.87	60.69	56.88	60.07	57.37	59.81	60.12
„ 1955 ..	63.65	63.43	58.72	60.88	59.65	60.67	62.59
„ 1960 ..	79.31	74.33	72.34	73.30	75.77	72.45	76.13
„ 1963 ..	83.33	78.55	78.99	76.94	80.37	76.39	80.52
INDEX NUMBERS							
(Base: Weighted Average Hourly Wage Rate for Australia, 1954 = 100)							
December, 1951 ..	86.9	86.2	80.9	85.3	81.4	83.4	85.6
„ 1953 ..	101.1	100.8	94.5	99.8	95.3	99.3	99.9
„ 1955 ..	105.7	105.3	97.5	101.1	99.1	100.8	104.0
„ 1960 ..	131.7	123.5	120.1	121.7	125.8	120.3	126.4
„ 1963 ..	138.4	130.5	131.2	127.8	133.5	126.9	133.7

(a) The amounts shown should not be regarded as actual current averages, but as an index expressed in money terms, indicative of trends.

5. **Weighted Average Standard Weekly Hours of Work.**—The 40-hour week has operated in Australia generally from 1st January, 1948, and in New South Wales from 1st July, 1947 (see para. 3 (iii), p. 457). However, as stated in para. 4 (i) on page 458, the number of hours constituting a full week's work (excluding overtime) differs between occupations and/or between States. The weighted average standard hours of work (excluding overtime) prescribed in awards, determinations and agreements for a full working week, in respect of adult male workers in all industrial groups except Rural, and Shipping and Stevedoring, at 31st December, 1963, were:—New South Wales, 39.95; Victoria, 39.97; Queensland, 39.98; South Australia, 39.96; Western Australia, 39.89; Tasmania, 39.97; Australia, 39.96. Corresponding figures for adult female workers at 31st December, 1962, were:—New South Wales, 39.53; Victoria, 39.81; Queensland, 39.70; South Australia, 39.77; Western Australia, 39.78; Tasmania, 39.56; Australia, 39.67.

§ 3. Average Weekly Earnings

1. **General.**—The figures in this section are derived from particulars of employment and of wages and salaries recorded on pay-roll tax returns, from other direct collections and from estimates of the unrecorded balance. Pay of members of the defence forces is not included.

Particulars of wages and salaries paid are not available for males and females separately from these sources; average weekly earnings have therefore been calculated in terms of male units. Male units represent total male employment plus a proportion of female employment based on the approximate ratio of female to male earnings. As it was not possible to estimate the ratio of male to female earnings in the several States the same ratio has been used in each State. Because the actual ratio may vary between States precise comparisons between average earnings in different States cannot be made on the basis of the figures shown in paragraph 2.

Since the previous issue of the Year Book, the series of average weekly earnings per employed male unit has been revised to incorporate the new series of employment estimates shown on pages 425–9 of the previous chapter. Opportunity was also taken to make other adjustments based on analyses of population census data.

Quarterly figures corresponding to those shown below are published in the monthly bulletin *Wage Rates and Earnings* and in the *Monthly Review of Business Statistics*.

The series of average weekly total wages and salaries paid, previously contained in this section, has been discontinued. The publications *Australian National Accounts—National Income and Expenditure* and *Quarterly Estimates of National Income and Expenditure* contain more comprehensive series of total wages, salaries and supplements. See also tables following Chapter XXX. Miscellaneous of this Year Book.

2. Average Weekly Earnings.—Particulars of average weekly earnings per employed male unit are shown in the following table for each of the years 1954–55 to 1962–63.

AVERAGE WEEKLY EARNINGS PER EMPLOYED MALE UNIT(a)
(£)

Year	N.S.W. (b)	Vic.	Qld	S.A. (c)	W.A.	Tas.	Aust.
1954–55	17.69	17.65	15.59	16.89	16.15	16.60	17.17
1955–56	18.97	18.91	16.48	17.93	16.94	17.79	18.34
1956–57	19.95	19.81	17.42	18.34	17.51	18.85	19.21
1957–58	20.48	20.34	17.86	18.84	18.11	19.07	19.73
1958–59	21.14	20.98	18.62	19.29	18.31	19.56	20.34
1959–60	22.83	22.74	19.71	20.91	19.61	20.96	21.93
1960–61	24.06	23.58	20.79	21.68	20.77	21.66	22.98
1961–62	24.55	24.26	21.61	22.37	21.51	22.64	23.62
1962–63	25.08	25.05	22.18	22.91	22.12	22.95	24.23

(a) Includes, in addition to wages at award rates, earnings of salaried employees, overtime earnings, over-award and bonus payments, etc. See explanatory notes in paragraph 1, p. 459. (b) Includes Australian Capital Territory. (c) Includes Northern Territory.

3. Index Numbers.—The following table shows, for “All industries” and for “Manufacturing”, the movement in average weekly earnings from 1953–54 to the March quarter, 1964. The “All industries” index is based on pay-roll tax returns and other data. The index for manufacturing industries for the years 1953–54 to 1962–63 is based on the average earnings of male wage and salary earners employed in factories as disclosed by annual factory censuses (see Chapter VI. Manufacturing Industry, § 8, para. 2 (iii), p. 164); figures for quarters subsequent to June quarter, 1963, are preliminary estimates based on pay-roll tax returns.

The index numbers for “All industries” and “Manufacturing” show the movement in average earnings for each group over a period of time. However, they do not give, at any point of time, a comparison of actual earnings in the two groups. The base of each series is the year 1953–54 = 100, and both series have been seasonally adjusted.

INDEXES OF AVERAGE WEEKLY EARNINGS(a): AUSTRALIA
SEASONALLY ADJUSTED

(Base of each Series: 1953–54 = 100)

Year	All industries(b)	Manufacturing	Quarter	All industries(b)	Manufacturing
1953–54.. ..	100.0	100.0	1962–63—September	145.3	146.4
1954–55.. ..	105.1	106.9	December	146.9	146.3
1955–56.. ..	112.3	113.8	March	149.7	149.3
1956–57.. ..	117.7	118.3	June	151.3	148.8
1957–58.. ..	120.8	122.0	1963–64—September	150.9	150.7
1958–59.. ..	124.5	125.6	December	154.8	153.6
1959–60.. ..	134.5	135.4	March	158.6	156.7
1960–61.. ..	140.6	141.1			
1961–62.. ..	144.7	143.4			
1962–63.. ..	148.3	147.7			

(a) See footnote (a) to table above.

(b) Average earnings per employed male unit. See explanation in paragraph 1, p. 459.

§ 4. Surveys of Wage Rates, Earnings and Hours

1. **General.**—Towards the end of 1960, a statistical survey of the wage structure of Australia was undertaken by this Bureau. The object of the survey was to obtain information as to marginal rates of wage and actual weekly earnings of adult male employees (excluding part-time and casual employees) for the last pay-period in September, 1960. A survey as at the last pay-period in October, 1961, provided similar information as to actual weekly earnings. A survey of weekly earnings and hours, carried out in respect of the last pay-period in October, 1962, provided information about the hours of work and average earnings of male and female employees in private industry.

The surveys were based on returns from stratified random samples of private employers subject to pay-roll tax. They did not include government or semi-government employment. Because of insufficient data, employees in rural industry and private domestic service were excluded, as also were employees of religious, benevolent and other similar bodies exempt from pay-roll tax. In addition, the 1960 survey excluded the shipping and stevedoring industry, the motion picture industry, certain businesses such as those of accountants and consultant engineers, and trade associations, etc.

A brief summary of the results of the 1960 and 1961 surveys is given in paras. 2 and 3 following. Only the proportions of the total employees in the various groups are shown in this issue, but more detailed particulars, including the number of employees in each group, may be found in Year Book No. 48, 1962, pages 410-18. The preliminary results of the 1962 survey were published in the previous issue of the Year Book.

2. **Survey of Wage Rates and Earnings, September, 1960.**—The sample for this survey was designed to provide accurate particulars only for Australia as a whole; hence no State details are shown in the tables below. The survey covered more than 1,100,000 adult male employees.

Definitions relevant to the survey are as follows.

- (a) *Adult Male Employees* refers to employees on the pay-roll of the last pay-day in September, 1960, and includes those who, although under 21 years of age, were paid at the adult rate prescribed in the appropriate award. Part-time and casual employees and those absent in the defence forces were excluded.
- (b) The term *awards* as used herein denotes awards or determinations of, or agreements registered with, Commonwealth or State industrial tribunals. Employees whose rates of pay and working conditions were not regulated by awards, and employees covered by formal, though unregistered, agreements between employee organizations and employers, are shown as "not covered by awards".
- (c) *Margins* are minimum amounts, in addition to the basic wage, awarded to particular classifications of employees for features attaching to their work, such as skill, experience, arduousness or other like factors. For the purposes of this survey the following were not included in margins:—special allowances prescribed in awards, such as shift, dirt, and height money, leading hand allowances, etc.; and other payments such as commission, payments above the minimum rate for contract and piece work, etc. (*see* sub-paras. (e) and (g) below and *also* § 6. Wage Margins). In the case of contract work, etc., the margin was determined by the minimum amount prescribed in the award for the class of work performed. Where the marginal rate of wage for an occupation was not specified in an award, the margin was assumed to be the difference between the total minimum prescribed rate of wage for the occupation and the appropriate Commonwealth or State basic wage. For employees not covered by awards, and whose margins were not specified in unregistered agreements, the margin was assumed to be the difference between the appropriate basic wage in the State jurisdiction and the agreed rate of pay for a standard working week (or the weekly equivalent of the agreed rate).

- (d) *Total Weekly Earnings* include ordinary time earnings at award rates (and, for employees not covered by awards, payments at agreed rates for a standard working week), overtime earnings and all other payments. Annual or other periodical bonuses were included only at the appropriate proportion for one week. For employees paid other than weekly, only the proportion of earnings equivalent to one week was included.
- (e) *Ordinary Time Earnings at Award Rates* represent the total weekly payment to adult male employees (excluding part-time and casual employees) for hours of work paid for up to the standard or award hours, calculated at award rates of pay. They include payments for sick leave, proportion of annual leave, special allowances prescribed in awards, etc. (see sub-para. (c) above). For employees not covered by awards, they include payments at agreed rates for a standard working week.
- (f) *Overtime Earnings* represent the total weekly payment to adult male employees (excluding part-time and casual employees) for time worked in excess of award or agreed hours.
- (g) *Other Earnings* include all payments other than those in sub-paras. (e) and (f) above, such as commission, payments above the minimum rate for contract work, incentive scheme, piece-work, and profit-sharing scheme payments, proportion of annual or other periodical bonuses, points system payments, attendance or good time-keeping bonuses, etc. (see sub-para. (c) above).

(i) *Marginal Rates of Wage. (a) Industry Groups.* In the following table, adult male employees in each of the main industry groups are classified according to weekly margin above the basic wage.

ADULT MALE EMPLOYEES (EXCLUDING PART-TIME AND CASUAL EMPLOYEES) CLASSIFIED ACCORDING TO MARGINAL RATES OF WAGE: INDUSTRY GROUPS, AUSTRALIA, SEPTEMBER, 1960 (a)

PROPORTION OF TOTAL (PER CENT.)

Weekly margin(b)	Manufacturing			Building and construction (c)	Wholesale and retail trade	Other industries	Total
	Engineering, metals, vehicles, etc.	Other manufacturing	Total manufacturing				
Amount above basic wage—							
Less than 20s. (incl. nil) ..	2.1	2.5	2.4	1.2	1.6	3.5	2.3
20s. and less than 30s. ..	11.3	6.1	8.4	5.6	2.1	5.7	6.6
30s. " " " 40s. ..	9.1	7.4	8.2	3.5	2.6	3.7	6.0
40s. " " " 60s. ..	14.3	19.7	17.2	8.6	14.6	11.2	15.2
60s. " " " 80s. ..	13.0	15.6	14.4	15.0	22.4	12.4	15.7
80s. " " " 100s. ..	22.7	14.8	18.4	14.4	14.2	16.3	17.0
100s. " " " 120s. ..	9.3	8.5	8.9	13.0	10.6	10.3	9.7
120s. and over ..	18.2	25.4	22.1	38.7	31.9	36.9	27.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(a) See page 461 for particulars of the coverage of the survey. (b) For definitions, see text above. (c) For some employees, allowances for sick leave, public holidays, etc. have been included in the marginal rates shown.

(b) *Jurisdiction.* In the following table, adult male employees are classified according to weekly margin above the basic wage, separate particulars being shown for employees under Commonwealth or State jurisdiction and for those not covered by awards.

ADULT MALE EMPLOYEES (EXCLUDING PART-TIME AND CASUAL EMPLOYEES) CLASSIFIED ACCORDING TO MARGINAL RATES OF WAGE: JURISDICTION, AUSTRALIA, SEPTEMBER, 1960(a)

PROPORTION OF TOTAL (PER CENT.)

Weekly margin(b)	Under Commonwealth awards	Under State awards	Not covered by awards	Total
Amount above basic wage—				
Less than 20s. (incl. nil) ..	2.7	2.4	1.0	2.3
20s. and less than 30s. ..	9.3	6.2	0.5	6.6
30s. " " " 40s. ..	7.2	6.9	0.8	6.0
40s. " " " 60s. ..	16.2	19.2	1.6	15.2
60s. " " " 80s. ..	15.9	20.4	2.5	15.7
80s. " " " 100s. ..	24.4	15.1	2.6	17.0
100s. " " " 120s. ..	10.6	11.4	3.2	9.7
120s. and over ..	13.7	18.4	87.8	27.5
Total	100.0	100.0	100.0	100.0

(a) See p. 461 for particulars of the coverage of the survey.

(b) For definitions, see pp. 461-2.

(ii) *Total Weekly Earnings.* (a) *Ordinary Time, Overtime and Other Earnings.* In the following table, the total wages and salaries paid to adult male employees in each of the main industry groups are given for ordinary time earnings at award rates, overtime earnings and all other earnings.

TOTAL WAGES AND SALARIES PAID TO ADULT MALE EMPLOYEES (EXCLUDING PART-TIME AND CASUAL EMPLOYEES) DURING LAST PAY-WEEK IN SEPTEMBER, 1960: INDUSTRY GROUPS, AUSTRALIA(a)

Industry group	Ordinary time earnings at award rates(b)	Overtime earnings(b)	Other earnings(b)	Total
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AMOUNTS
(£'000)

Manufacturing—				
Engineering, metals, vehicles, etc.	5,469	1,012	724	7,205
Other manufacturing ..	6,961	849	700	8,510
<i>All Manufacturing Groups ..</i>	<i>12,430</i>	<i>1,861</i>	<i>1,424</i>	<i>15,715</i>
Building and construction ..	1,672	263	169	2,104
Wholesale and retail trade ..	4,521	238	425	5,184
Other industries	3,837	380	475	4,692
All Industry Groups ..	22,460	2,742	2,493	27,695

PROPORTIONS OF TOTAL (PER CENT.)

Manufacturing—				
Engineering, metals, vehicles, etc.	75.9	14.0	10.1	100.0
Other manufacturing ..	81.8	10.0	8.2	100.0
<i>All Manufacturing Groups ..</i>	<i>79.1</i>	<i>11.8</i>	<i>9.1</i>	<i>100.0</i>
Building and construction ..	79.5	12.5	8.0	100.0
Wholesale and retail trade ..	87.2	4.6	8.2	100.0
Other industries	81.8	8.1	10.1	100.0
All Industry Groups ..	81.1	9.9	9.0	100.0

(a) See p. 461, for particulars of the coverage of the survey.

(b) For definitions, see pp. 461-2.

(b) *Industry Groups.* The proportion of adult male employees in each earnings group is shown for the main industry groups in the following table.

ADULT MALE EMPLOYEES (EXCLUDING PART-TIME AND CASUAL EMPLOYEES) CLASSIFIED ACCORDING TO TOTAL WEEKLY EARNINGS: INDUSTRY GROUPS, AUSTRALIA, SEPTEMBER, 1960(a)

PROPORTION OF TOTAL (PER CENT.)

Total weekly earnings(b)	Manufacturing			Building and construction	Wholesale and retail trade	Other industries	Total
	Engineering, metals, vehicles, etc.	Other manufacturing	Total manufacturing				
Less than £14(c)	2.3	2.1	2.2	2.2	0.8	1.1	1.7
£14 and less than £16	3.1	4.8	4.0	1.7	2.0	2.9	3.3
£16 " " " £18	8.3	12.9	10.8	6.5	17.4	9.2	11.5
£18 " " " £20	11.6	15.9	13.9	11.1	19.7	12.3	14.6
£20 " " " £22	13.2	13.8	13.5	13.6	14.9	11.6	13.5
£22 " " " £24	12.6	11.1	11.8	17.7	10.7	10.5	11.8
£24 " " " £26	10.4	9.9	10.2	9.8	8.0	10.0	9.7
£26 " " " £30	16.5	11.8	13.9	14.2	11.0	14.9	13.5
£30 " " " £35	11.9	8.3	10.0	12.0	6.7	12.4	9.9
£35 and over	10.1	9.4	9.7	11.2	8.8	15.1	10.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(a) See p. 461, for particulars of the coverage of the survey. (b) For definitions, see pp. 461-2.
(c) Inquiry indicated that many of the adult males in this group were absent for part of the week.

3. Survey of Weekly Earnings, October, 1961.—For this survey the sample was designed so that particulars of the distribution of earnings in each State could be obtained as well as those for Australia (see p. 465), but it was not possible, without a considerable increase in the number of returns, to obtain particulars for each industry group in each State. State details were therefore restricted to the two major groups, manufacturing and non-manufacturing; those for Australia were obtained for eight separate industry groups. Because of limitations of space, it has not been possible to include all figures in the tables herein. For further details, reference should be made to Statistical Bulletin No. 22—*Survey of Weekly Earnings, October, 1961*, 14th February, 1962.

The businesses selected in the sample were allocated by States and by industry and size groups in such a way that the precision of the sample estimates for total manufacturing and total non-manufacturing, expressed as percentages of the estimates themselves, would be approximately the same in each State.

Definitions relevant to the survey are as follows.

Adult Male Employees refers to employees on the pay-roll of the last pay-period in October, 1961, and includes those who, although under 21 years of age, were paid at the adult rate prescribed for their particular occupation. Part-time and casual employees and those absent in the defence forces were excluded. Executive, clerical and sales staff were included, as were employees working short time who would normally have been full-time employees.

Total Weekly Earnings (i.e. gross earnings before taxation and other deductions) include ordinary time earnings, overtime earnings and all other payments, such as holiday and sick pay, commission, payments above the minimum rate for contract work, incentive scheme, piece-work and profit-sharing scheme payments, points system payments, attendance bonuses, etc. Annual or other periodical bonuses have been included only at the appropriate proportion for one week. For employees paid other than weekly, only the proportion of earnings equivalent to one week has been included.

(i) States. (a) All Industries. The following table shows the proportions of adult male employees in each earnings group in each State.

ADULT MALE EMPLOYEES (EXCLUDING PART-TIME AND CASUAL EMPLOYEES) CLASSIFIED ACCORDING TO TOTAL WEEKLY EARNINGS, OCTOBER, 1961(a)

PROPORTIONS OF TOTAL (PER CENT.)

Total weekly earnings(b)	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Less than £14(c)	1.1	0.9	0.8	0.8	0.3	1.2	0.9
£14 and less than £16 ..	1.0	1.7	3.6	2.1	2.9	2.1	1.7
£16 " " " £18 ..	6.6	9.1	15.3	11.2	13.9	11.7	9.3
£18 " " " £20 ..	13.3	14.5	20.0	17.6	18.7	16.1	15.2
£20 " " " £22 ..	13.4	14.9	15.3	17.0	16.1	15.1	14.6
£22 " " " £24 ..	12.5	13.4	9.3	12.6	11.4	13.1	12.4
£24 " " " £26 ..	11.7	10.8	8.2	9.6	8.6	10.5	10.6
£26 " " " £30 ..	15.2	12.7	10.3	12.2	11.2	12.0	13.3
£30 " " " £35 ..	11.4	9.9	8.1	8.9	7.6	8.9	10.1
£35 and over	13.8	12.1	9.1	8.0	9.3	9.3	11.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(a) See p. 464 for particulars of the coverage of the survey.

(b) For definitions see p. 464.

(c) Inquiry indicated that the majority of the adult males in this group did not work a full week because of absenteeism, changing jobs, etc. Others were working short time.

(b) *Manufacturing and Non-manufacturing.* The proportion of adult male employees in each earnings group is shown for manufacturing and non-manufacturing industries in the following table.

ADULT MALE EMPLOYEES (EXCLUDING PART-TIME AND CASUAL EMPLOYEES) CLASSIFIED ACCORDING TO TOTAL WEEKLY EARNINGS: MANUFACTURING AND NON-MANUFACTURING INDUSTRIES, OCTOBER, 1961(a)

PROPORTIONS OF TOTAL (PER CENT.)

Total weekly earnings(b)	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
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MANUFACTURING

Less than £14(c)	1.2	1.0	1.3	1.1	0.4	1.5	1.1
£14 and less than £16 ..	1.2	2.1	5.3	2.2	4.2	2.0	2.1
£16 " " " £18 ..	7.8	11.0	18.3	10.6	16.8	12.3	10.5
£18 " " " £20 ..	12.6	14.6	20.6	17.5	20.2	13.8	14.8
£20 " " " £22 ..	13.9	15.5	16.8	17.2	17.6	15.5	15.2
£22 " " " £24 ..	13.7	12.8	9.2	13.1	10.5	12.6	12.8
£24 " " " £26 ..	11.5	10.6	8.0	10.0	8.2	11.4	10.6
£26 " " " £30 ..	15.5	12.5	9.4	12.3	10.0	12.8	13.4
£30 " " " £35 ..	11.0	9.6	5.8	9.0	5.9	8.9	9.6
£35 and over	11.6	10.3	5.3	7.0	6.2	9.2	9.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

NON-MANUFACTURING

Less than £14(c)	0.9	0.6	0.4	0.5	0.3	0.8	0.7
£14 and less than £16 ..	0.7	1.0	2.2	2.0	2.0	2.3	1.2
£16 " " " £18 ..	5.0	6.2	13.0	12.1	11.9	10.8	7.7
£18 " " " £20 ..	14.3	14.5	19.6	17.7	17.7	19.2	15.8
£20 " " " £22 ..	12.8	13.9	14.2	16.8	15.0	14.5	13.9
£22 " " " £24 ..	10.8	14.2	9.3	11.8	12.0	13.8	11.8
£24 " " " £26 ..	11.8	11.1	8.5	9.1	8.8	9.4	10.6
£26 " " " £30 ..	14.7	13.1	11.0	12.0	12.1	11.0	13.2
£30 " " " £35 ..	12.1	10.5	9.8	8.7	8.8	8.8	10.7
£35 and over	16.9	14.9	12.0	9.3	11.4	9.4	14.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(a) See p. 464 for particulars of the coverage of the survey.

(b) For definitions, see p. 464.

(c) Inquiry indicated that the majority of the adult males in this group did not work a full week because of absenteeism, changing jobs, etc. Others were working short time.

(ii) *Australia, Industry Groups.* The proportions of adult male employees in the main industry groups covered by the survey are shown in the following table according to total weekly earnings.

ADULT MALE EMPLOYEES (EXCLUDING PART-TIME AND CASUAL EMPLOYEES) CLASSIFIED ACCORDING TO TOTAL WEEKLY EARNINGS: INDUSTRY GROUPS, AUSTRALIA, OCTOBER, 1961(a)

PROPORTION OF TOTAL (PER CENT.)

Total weekly earnings(b)	Manufacturing				Building and construction	Wholesale and retail trade	Other industries	Total
	Engineering, metals, vehicles, etc.	Food, drink and tobacco	Other manufacturing	Total manufacturing				
Less than £14(c) ..	1.3	1.3	0.9	1.1	1.5	0.4	0.6	0.9
£14 and less than £16 ..	1.7	2.2	2.4	2.1	1.0	1.2	1.4	1.7
£16 " " £18 ..	8.1	11.4	12.8	10.5	3.9	9.9	6.7	9.3
£18 " " £20 ..	13.8	19.4	14.1	14.8	10.8	21.1	11.4	15.2
£20 " " £22 ..	16.3	14.4	14.3	15.2	15.7	15.3	11.4	14.6
£22 " " £24 ..	14.2	11.8	11.6	12.8	18.1	11.8	9.4	12.4
£24 " " £26 ..	11.0	10.2	10.4	10.6	16.2	9.6	9.7	10.6
£26 " " £30 ..	13.8	12.8	13.1	13.4	12.9	11.6	15.2	13.3
£30 " " £35 ..	10.0	8.6	9.6	9.6	9.0	8.1	14.5	10.1
£35 and over ..	9.8	7.9	10.8	9.9	10.9	11.0	19.7	11.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(a) See p. 464 for particulars of the coverage of the survey. (b) For definitions, see p. 464. (c) Inquiry indicated that the majority of the adult males in this group did not work a full week because of absenteeism, changing jobs, etc. Others were working short time.

4. *Survey of Weekly Earnings and Hours, October, 1962.*—This survey provided, for Australia, information on average weekly and hourly earnings and average weekly hours paid for, in each of the principal industry groups. Preliminary results of the survey, which were published in Statistical Bulletin 213—*Survey of Weekly Earnings and Hours, October, 1962*, 20th March, 1963, were shown in Year Book No. 49, 1963, pages 482–5.

§ 5. Basic Wages in Australia

1. *General.*—The concept of a “basic” or “living” wage is common to rates of wage determined by industrial authorities in Australia. Initially the concept was interpreted as the “minimum” or “basic” wage necessary to maintain an average employee and his family in a reasonable state of comfort. However, it is now generally accepted “that the wage should be fixed at the highest amount which the economy can sustain and that the ‘dominant factor’ is the capacity of the community to carry the resultant wage levels”.*

Under the *Commonwealth Conciliation and Arbitration Act 1904–1961* (see p. 446) the Commonwealth Conciliation and Arbitration Commission (previously the Commonwealth Court of Conciliation and Arbitration) may, for the purpose of preventing or settling an industrial dispute extending beyond the limits of any State, make an order or award “altering the basic wage (that is to say, that wage or that part of the wage, which is just and reasonable for an adult male [female], without regard to any circumstance pertaining to the work upon which, or the industry in which he [she] is employed) or the principles upon which it is computed”.

* *Commonwealth Arbitration Reports*, Vol. 77, p. 494.

In the past, the Commonwealth Court of Conciliation and Arbitration held general basic wage inquiries from time to time, and its findings applied to industrial awards within its jurisdiction. Prior to the decision of the Commonwealth Court of Conciliation and Arbitration, announced on 12th September, 1953, discontinuing the automatic adjustment of basic wages in Commonwealth awards in accordance with variations occurring in retail price index numbers, the relevant basic wage of the Commonwealth Court of Conciliation and Arbitration was adopted to a considerable extent by State Industrial Tribunals. In New South Wales and South Australia, the State industrial authorities adopted the relevant Commonwealth basic wage. In Victoria and Tasmania, where Wages Boards systems operate, no provision was included in the industrial Acts for the declaration of a basic wage, although, in the past, Wages Boards generally adopted basic wages based on those of the Commonwealth Court. In Queensland and Western Australia, the determination of a basic wage is a function of the respective State Industrial or Arbitration Courts, and (subject to State law) they took into account the rates determined by the Commonwealth Court. Following the decision of the Commonwealth Court of Conciliation and Arbitration to discontinue automatic quarterly adjustments to the basic wage, the various State industrial authorities have determined State basic wages in accordance with the provisions of the respective State industrial legislation. Details of the action taken in each State and subsequent variations in State basic wages are set out in para. 5 of this section.

In addition to the basic wage, "secondary" wage payments, including margins for skill and various kinds of loadings peculiar to the occupation or industry, are determined by these authorities. The basic wage, and the "secondary" wage, where prescribed, make up the "minimum" wage for a particular occupation. The term "minimum wage" as distinct from the basic wage is used currently to express the lowest rate payable for a particular occupation or industry. (See also § 2, para. 2 (iii) *Adult Males—Components of Total Wage Rate*, pp. 452 and 455).

2. The Commonwealth Basic Wage.—(i) *Early Judgments.* The principle of a living or basic wage was propounded as far back as 1890, but it was not until 1907 that a wage, as such, was declared by a Court in Australia. The declaration was made by an order in terms of section 2 (d) of the *Excise Tariff* 1906 in the matter of an application by H. V. McKay that the remuneration of labour employed by him at the Sunshine Harvester Works, Victoria, was "fair and reasonable". Mr. Justice Higgins, President of the Commonwealth Court of Conciliation and Arbitration, defined the standard of a "fair and reasonable" minimum wage for unskilled labourers as that standard appropriate to "the normal needs of the average employee, regarded as a human being living in a civilized community".* The rate declared was 7s. a day or £2 2s. a week for Melbourne, the amount considered reasonable for "a family of about five".

The "Harvester" standard was adopted by the Commonwealth Court of Conciliation and Arbitration for incorporation in its awards, and practically the same rates continued until 1913, when the Court took cognizance of retail price index numbers, covering food and groceries and rent of all houses ("A" Series) for the 30 more important towns of Australia, which had been published by the Commonwealth Statistician for the first time in the preceding year. The basic wage rates for towns were thereafter varied in accordance with the respective retail price index numbers. Court practice was to equate the retail price index number 875 for Melbourne for the year 1907 to the "Harvester" rate of 42s. a week (or the base of the index (1,000) to 48s. a week). At intervals thereafter as awards came before it for review, the Court usually revised the basic wage rate of the award in proportion to variations in the retail price index. In some country towns, certain "loadings" were added by the Court to wage rates so derived to offset the effect of lower housing standards, and consequently of house rents, on the index numbers for these towns.

Over the period of its operation, the adequacy or otherwise of the "Harvester" standard was the subject of much discussion, the author of the judgment himself urging on several occasions the need for its review. During the period of rapidly rising prices towards the end of the 1914-18 War, strong criticism developed that this system did not adequately maintain the "Harvester" equivalent. A Royal Commission was appointed in 1919 to inquire as to what it would actually cost a man, wife and three children under fourteen years of age to live in a reasonable standard of comfort, and as to how the basic wage might be automatically adjusted to maintain purchasing power. The Commission's

* *Commonwealth Arbitration Reports*, Vol. 2, p. 3.

Reports were presented in 1920 and 1921. An application by the unions to have the amounts arrived at by the inquiry declared as the basic wage was not accepted by the Court, because they were considerably in advance of existing rates, and grave doubts were expressed by members of the Court as to the ability of industry to pay such rates. Further details of the recommendations of the Commission were given in *Labour Report* No. 41, page 102.

The system of making automatic quarterly adjustments to the basic wage in direct ratio to variations in the retail price index ("A" Series) was first introduced in 1921. The practice then adopted was to calculate the adjustments to the basic wage quarterly on the index number for the preceding quarter. Previously, adjustments had been made sporadically in relation to retail price indexes for the previous calendar year or the year ended with the preceding quarter. The new method would have resulted in a basic wage lower than that to which employees would have been entitled had the previous practice been continued, and in 1922* the Court added to the basic wage a general loading of 3s. (known as the "Powers 3s."), "a sum . . . which did, to the extent of 3s. per week, relieve the employees from the detrimental effect so far as they were concerned of the change which the Court was then making in its method of fixing the basic wage".† This loading continued until 1934. The practice adopted by the Commonwealth Court in 1921 of making automatic quarterly adjustments continued until the Court's judgment of 12th September, 1953 (*see* p. 469).

For a description of the several series of retail price indexes referred to in these paragraphs, *see* pages 431-2 of this chapter.

(ii) *Basic Wage Inquiries, 1930 to 1950.* No change was made in the method of fixation and adjustment of the basic wage until the onset of the depression in 1930, when applications were made to the Court for a reduction of wages. From 1st February, 1931, the Court reduced all wages under its jurisdiction by 10 per cent. Subsequent applications in 1932 and 1933 for cancellation of this reduction were refused. In May, 1933, the Court transferred the basis of the quarterly adjustment of the basic wage from the "A" Series to the "D" Series Retail Price Index. Further particulars may be found in the *Labour Report*, Nos. 22 and 23.

The "Harvester" standard, adjusted by variations in retail price index numbers, continued to be the theoretical basis of the wage of the Commonwealth Court until the judgment of 17th April, 1934, when automatic adjustment was transferred to the "C" Series Retail Price Index, the base of the index being taken as equal to 81s. a week. The new rate for the six capital cities, £3 5s., was in effect the same as that previously paid under the "A" Series, without the "Powers 3s." and without the 10 per cent. reduction, which then ceased to operate. (*See Labour Report* No. 25, 1934.)

The following were the main features of the judgment of the 1937 Inquiry. (a) Amounts were added to the basic wage not as an integral, and therefore adjustable, part of that wage, but as "loadings" additional to the rates payable under the 1934 judgment (referred to as the "needs" portion of the basic wage). These loadings, commonly referred to as "Prosperity" loadings, ranged, for capital cities, from 4s. to 6s., that for the six capitals being 5s. (b) The minimum adjustment of the basic wage was fixed at 1s. a week instead of 2s. (c) The basis of the adjustment of the "needs" portion of the wage in accordance with the variations shown by retail price index numbers was transferred from the "C" Series to a special "Court" Series based upon the "C" Series. (d) Female and junior rates were left for adjustment by individual judges when dealing with specific awards. (*See Labour Report* No. 28, pages 77-87.)

In 1940, the combined unions applied to have the value of 1,000 (the base of the "C" Series Index upon which the "Court" Series was based) raised from 81s. to 100s. a week, and the "Prosperity" loadings incorporated in the new rate. In its judgment of 7th February, 1941, the Court unanimously refused to grant any increase, owing mainly to the uncertainty of the economic outlook under existing war conditions. The application was stood over for further consideration. (*See* p. 469.) In the course of the judgment, the Chief Judge suggested that the basic wage might be graded according to family responsibilities by means of a comprehensive system of child endowment, and that if a scheme of this nature were established, future fixations of the basic wage would be greatly simplified. (The Commonwealth *Child Endowment Act* 1941 came into operation on 1st July, 1941. For details *see* Chapter XVI. Welfare Services.)

* 16 C.A.R., p. 32.

† *Ibid.*, p. 841.

In 1946, an application was made for restoration of the adjourned 1940 hearing (*see* p. 468). During the protracted hearing of the Standard Hours Inquiry (*see* p. 457), it became apparent that reconsideration of the amount of the basic wage was, in the public interest, a matter of increasing urgency, and the unions therefore applied for an "interim" basic wage declaration. Judgment was delivered on 13th December, 1946, whereby an increase of 7s. a week was granted in the "needs" portion of the basic wage, the rate for the six capital cities as a whole being increased from 93s. to 100s. a week. For automatic quarterly adjustments, a new "Court" Index (Second Series) (Base 1923-27 = 87.0) was adopted. All "loadings" on the basic wage were retained. Further particulars of this judgment may be obtained from *Labour Report* No. 38, page 79.

The Basic Wage Inquiry, 1949-50, completed the case begun in 1940 and continued in 1946 (*see* above). The general hearing of the unions' claims was commenced on 17th May, 1949, and separate judgments were delivered on 12th October, 1950.* A majority of the Court (Foster and Dunphy *JJ.*) was of the opinion that the basic wage for adult males should be increased by £1 a week, and that for adult females should be 75 per cent. of the adult male rate. Kelly *C.J.* considered that no increase in either the male or the female wage was justified. On 24th October and 17th and 23rd November, 1950, the Court made further declarations concerning the "Prosperity" and other loadings. The "Prosperity" loading of 1937 (*see* p. 468), which was being paid at rates between 3s. and 6s. a week according to localities, was standardized at a uniform rate of 5s. a week for all localities and was declared to be an adjustable part of the basic wage, the "War" loadings were declared to be not part of the basic wage, and any other loading declared to be part of the basic wage ceased to be paid as a separate entity.

The new rates operated from the beginning of the first pay-period in December, 1950, being in all cases the rate based on the Court Index (2nd Series) for the September quarter, 1950, plus a flat-rate addition of £1, together with the standardized "Prosperity" loading of 5s. The new basic wage rate for the six capital cities (weighted average) was £8 2s., comprising £6 17s. Court (2nd Series) plus 5s. uniform "Prosperity" loading plus the £1 addition. The declaration provided that the whole of this basic wage would be subject to automatic quarterly adjustments as from the beginning of the first pay-period commencing in February, 1951, on the basis of the index numbers for the December quarter, 1950. For this purpose, the new rate of £8 2s. was equated to the "C" Series retail price index number 1,572 for the six capital cities (weighted average) for the September quarter, 1950. From this equation was derived a new "Court" Index (Third Series) with 103.0 equated to 1,000 in the "C" Series Index. Further particulars of the judgment may be found in *Labour Report* No. 39, page 81.

For more detailed descriptions of the foregoing inquiries, reference should be made to earlier issues of the *Labour Report* and the Year Book.

(iii) *Basic Wage and Standard Hours Inquiry, 1952-53.* On 5th August, 1952, the Commonwealth Court of Conciliation and Arbitration began hearing claims by employers' organizations that (a) the basic wage for adult males be reduced; (b) the basic wage for adult females be reduced; (c) the standard hours of work be increased; (d) the system of adjusting the basic wages in accordance with variations occurring in retail price index numbers be abandoned; and by employees' organizations, that the basic wage for adult males be increased.

The decision of the Court, announced on 12th September, 1953†, was as follows:—the employers' applications for reduction of the basic wages for adult males and females and for an increase of the standard hours of work were refused; the employers' applications for omission or deletion of clauses or sub-clauses providing for the adjustment of basic wages were granted; and the unions' applications for increases of basic wages were refused.

The Court in the course of its judgment said that nothing had been put before it during the inquiry in support of a departure from its well-established principle that the basic wage should be the highest that the capacity of the community as a whole could sustain. If the Court is at any time asked to fix a basic wage on a true needs basis, the question of whether such a method is correct in principle and all questions as to the size of the family unit remain open.

* *Commonwealth Arbitration Reports*, Vol. 68, p. 698.
Vol. 77, p. 477.

† *Commonwealth Arbitration Reports*,

In order to remove certain misconceptions about its function, the Court stated that it was neither a social nor an economic legislature, and that its function under section 25 of the Act was to prevent or settle specific industrial disputes. However, these must be settled upon terms which seem just to the Court, having regard to conditions which exist at the time of its decision.

The Court intimated that time would be saved in future inquiries if the parties to the disputes, in discussing the principle of the "capacity to pay", directed their attention to the broader aspects of the economy, as indicated by a study of employment, investment, production and productivity, overseas trade, overseas balances, the competitive position of secondary industry, and retail trade.

In accordance with its decision, the Court, commencing on 21st October, 1953, amended all Commonwealth awards by deleting the clauses providing for the automatic adjustment of the basic wage. Subsequently, the power of the Court to vary awards not the subject of an application by one of the parties was unsuccessfully challenged in the High Court of Australia.

For further particulars of the judgment, see *Labour Report* No. 46, page 64.

(iv) *Basic Wage Inquiry*, 1956. On 14th February, 1956, the Commonwealth Court of Conciliation and Arbitration commenced hearing an application by trade unions for an increase in the basic wage to the amount it would have reached if automatic quarterly adjustments deleted in September, 1953, had remained in force, plus a further £1; for the re-introduction of automatic quarterly adjustments; and for the abolition of what was known as the 3s. country differential. This application was regarded as a general application for variation of the basic wage in all Commonwealth awards.

All the claims made by the unions were opposed by the respondent employers. The Commonwealth Government intervened in the public interest and opposed the re-introduction of automatic adjustments. The States of New South Wales, Queensland, Western Australia and Tasmania supported the unions' claims for the re-establishment of the system of automatic adjustments and the raising of the basic wage to the levels indicated by the current "C" Series Index numbers, but the State of South Australia opposed these claims. The State of Victoria neither supported nor opposed the unions' claims.

The judgment was delivered on 26th May, 1956. The Court rejected each claim made by the unions, but decided to increase the adult male basic wage by 10s. a week, payable from the beginning of the first pay-period in June. As a result of this decision, the basic wage for adult females was increased by 7s. 6d. a week with proportionate increases for juniors of both sexes and for apprentices.

The Court took the view that its decision in 1953 to abandon the system of quarterly adjustments was clearly right and that "so long as the assessment of the basic wage is made as the highest which the capacity of the economy can sustain, the automatic adjustment of that basic wage upon price index numbers cannot be justified, since movements in the index have no relation to the movements in the capacity of the economy".* After examining the state of the economy and the possible disastrous extension of inflation, the Court decided that the nation had not the capacity to pay a basic wage of the amount to which automatic quarterly adjustments would have brought it.

In its judgment, the Court stated that in future a yearly assessment of the capacity of Australia for the purpose of fixing a basic wage would be most appropriate and that it would encourage any steps to have the Court fulfil such a task each year.

For further details, see *Labour Report* No. 46, page 67.

(v) *Basic Wage Inquiry*, 1956-57. On 13th November, 1956, the Commonwealth Conciliation and Arbitration Commission in Presidential Session commenced to hear claims by the combined unions for an increase of the basic wage to the amount it would have reached if automatic quarterly adjustments had remained in force and for the restoration of automatic quarterly adjustments.† This application was treated by the Commission as a general application for alteration of the basic wage in all Commonwealth awards.

The unions' claims were opposed by the respondent employers. Victoria and South Australia were the only States to appear before the Commission and the Commonwealth Government intervened in the public interest. Victoria neither supported nor opposed the application by the unions. South Australia opposed the unions' claims and suggested that, if an increase in the basic wage were granted, the Commission should decide on the increase

* *Commonwealth Arbitration Reports*, Vol. 84, p. 175.

† 87 *C.A.R.*, p. 439.

to be added to the six capitals basic wage, and then apportion that increase among the six capital cities on a basis accurately reflecting the differences in their cost of living. The Commonwealth opposed the restoration of the automatic adjustment system, whatever index was used for this purpose.

After hearing submissions by counsel for the unions that automatic quarterly adjustments of the basic wage should be restored and argument as to the appropriateness of using the "C" Series Index for this purpose, the Commission reaffirmed the decision of the Court in 1953, which, it said, "was primarily based on the view that there is no justification for automatically adjusting in accordance with a price index a wage assessed as the highest that the capacity of the community as a whole can sustain".* Accordingly, the claim for restoration of automatic quarterly adjustments was refused.

The Commission, having considered all aspects of the state of the economy, decided that the adult male basic wage should be increased by 10s. a week, payable from the first pay-period to commence on or after 15th May, 1957. The basic wage for adult females was increased by 7s. 6d., with proportionate increases for juniors and apprentices.

The historical background of differential rates of basic wage for respective cities and towns was examined by the Commission and it acknowledged that the Federal basic wage had two components. The first and greater component differed for each capital city and represented a rate of wage calculated by the use of "C" Series retail price index numbers for the June quarter, 1953, and the second component, common to all places, was the uniform 10s. awarded by the Court in 1956. On the question of whether the increase should be of a uniform amount, the alternative open to the Commission appeared to be either to follow what the Court did in 1956, or to recalculate the inter-capital-city differentials of the newly-fixed standard basic wage according to the latest "C" Series index numbers. The Commission decided to grant an increase of a uniform amount.

Judgment was delivered on 27th April, 1957. The Commission advised that it approved an annual review of the basic wage and would be available for this purpose in February, 1958. However, although favouring an annual review of the basic wage, the Commission considered that "it would not be proper for it nor would it wish to curtail the existing right of disputants to make an application at whatever time they think it necessary to do so".†

A more detailed summary of the judgment may be found in *Labour Report* No. 46, pages 68-71.

(vi) *Basic Wage Inquiry*, 1958. On 18th February, 1958, the Conciliation and Arbitration Commission commenced hearing an application by unions respondent to the Metal Trades Award for an increase of the basic wage to the amount it would have reached had the quarterly adjustment system been retained, plus an addition of 10s., and for restoration of quarterly adjustments.‡

These claims were opposed by private employers and by the State of South Australia, which also contended that, as the cost of living was much lower in Adelaide than in Melbourne and Sydney, greater disparities in basic wage rates than then existed should be determined if, against its submission, any general increase in the basic wage were decided upon. Tasmania, the only other State represented, made no submissions. The Attorney-General of the Commonwealth intervened in the public interest, and leave to intervene was granted to a number of professional, salaried and public service organizations.

In its judgment, delivered on 12th May, 1958, the Commission rejected the submission by the Professional Officers' Association that consideration should be given to the question whether increased capacity should be reflected in an increased basic wage only or extended also to the marginal or secondary contents of aggregate wages and salaries. The Commission also rejected the submission by the Australian Council of Salaried and Professional Associations that when the Commission looked at the capacity of industry to pay and gave an increase in the basic wage, it always kept something in reserve for a subsequent marginal claim.

The claim of the unions for the restoration of the 1953 basic wage standard was rejected by the Commission on the same ground as in its 1957 judgment, i.e. that it was unsafe to assume that the economy could sustain the 1953 rate as a "standard" in real terms.

The Commission then considered the three specific issues before it, namely, (a) should the system of automatic adjustments be restored? (b) should the basic wage be increased, and if so, by what amount? and (c) should there be uniform or disparate increases?

* 87 C.A.R. p. 445.

† *Ibid.*, p. 459.

‡ 89 C.A.R., p. 287.

Counsel for the unions submitted that the unions still regarded the "C" Series Index as a proper guide for the determination of basic wage levels, but that if this contention were unacceptable to the Commission, there should be an immediate decision upon principle, and later, if need be, an inquiry in an effort to ascertain a proper price index. He also submitted that there should be, from time to time, additions to wages to afford to workers their proper share of increased productivity and efficiency, and that although the unions had never claimed that increments for increased productivity could under present circumstances be made by way of automatic adjustment, the objective of wage increases commensurate with price increases could best be achieved by the use of an automatic adjustment system. After having considered the submissions, and without hearing arguments against the proposition, the Commission rejected the application for the restoration of automatic adjustments and for a deferred inquiry thereon. In the reasons for its judgment, the Commission stated that there was nothing in the submission to justify a departure from the decisions of 1953, 1956 and 1957 to reject automatic wage adjustments. The Commission also again expressed the opinion that a yearly assessment of the capacity of Australia for the purpose of fixing a basic wage would be most appropriate.

The Commission was unanimously of the opinion that the position of the economy regarded as a whole was such as to justify an increase in the basic wage, but a difference of opinion existed as to what the amount of the increase should be. Kirby C.J. and Gallagher J. considered that it was undesirable in the interests of all to grant an increase higher than 5s.; Wright J. considered that a basic wage level substantially higher than that proposed by the majority was justified. The decision of the majority prevailed, and the basic wage for adult males under Federal awards was therefore increased by 5s. a week.

The South Australian Government submitted that economically there was no scope at all for a basic wage increase anywhere in Australia, and again pursued the question of inter-city differentials as an answer to the union claim that the amount of the basic wage in Adelaide should be calculated by reference to the "C" Series retail price index numbers for that city. The substance of the State's case was that the actual cost of living was so much lower in Adelaide than in Melbourne and Sydney that greater disparities in basic wage rates than then existed should be determined by the Commission, if any general increase in the basic wage were decided upon. Subject to a stipulation that no reduction should be made in the existing basic wage rate for Adelaide, counsel for the South Australian Government claimed that the rate should be approximately 10 per cent. below the rate fixed for Sydney instead of approximately 5 per cent. below, as it then was. The Commission rejected the claim on the ground that it would not be wise or just to apply it in South Australia in view of the fact that it was neither sought nor supported by any other party, and its application to the government and its instrumentalities alone was not sought. The Commission indicated that the issues involved in inter-city differential wage rates were complex and could not be decided after a brief hearing.

The new basic wage rates for employees under Federal awards operated from 21st May, 1958.

(vii) *Basic Wage Inquiry, 1959.* On 24th February, 1959, the Conciliation and Arbitration Commission commenced hearing an application by unions respondent to the Metal Trades Award for an increase of the basic wage to the amount it would have reached had the quarterly adjustment system been retained, plus an addition of 10s., and for restoration of quarterly adjustments.* A large number of applications for similar variation of other awards were ordered to be treated as involved in the inquiry, and as such to be decided upon the evidence, material and submissions made from the beginning of the hearing.

The application of the unions was opposed by private employers generally, and by the State of South Australia and two of its instrumentalities. Tasmania was the only other State represented, and it appeared in support of the application of the unions in regard to the increase of the basic wage and the restoration of the quarterly adjustment system. The Commonwealth Government intervened in the public interest and submitted that the application for restoration of the automatic adjustment system should be refused. The Commonwealth again supplied, for the benefit of the Commission and the parties, economic and statistical information and material, and, in addition, without making a particular submission as to whether there should be an increase, made a general submission on the state of the national economy.

* *Commonwealth Arbitration Reports, Vol. 91, pp. 683-4.*

Organizations of employers in the pastoral industry asked for a reduction in the basic wage in the Pastoral Award of £1 5s., being the aggregate amount of the increases granted in 1956, 1957 and 1958. The Commission decided to join these applications in the main hearing on 17th March, 1959, as a matter of procedure only, and without deciding affirmatively that the Commission as constituted for that hearing had power to grant them in whole or in part. At the conclusion on 5th May, 1959, of submissions in support of these applications and without calling upon employees in reply, the Commission stated that it would reject the applications for reduction of the basic wage in the Pastoral Award, and again indicated that the question of jurisdiction as to whether the Commission had the power to decide a different basic wage remained "undecided and open".

On 5th June, 1959, the three Judges delivered separate judgments. On the question of whether the system of automatic quarterly adjustments should be restored, the members of the Commission were divided in opinion, and therefore the question was decided in accordance with the decision of the majority. The majority decision, namely, that of Kirby *C.J.* and Gallagher *J.*, was that the claim of the unions for restoration of quarterly adjustments should be refused. Foster *J.* dissented.

The members of the Commission were unanimous in the opinion that there should be an increase in the basic wage, but as to the amount of the increase they were divided in opinion as follows. The President, Kirby *C.J.*, was of opinion that the increase should be 15s. a week, and that the increased basic wage should become payable as from the beginning of the first pay-period commencing on or after 11th June, 1959. Foster *J.* was of opinion that the increase should be 20s. a week, payable as to 10s. as from the first pay-period in July, 1959, and as to the balance by increases of 2s. 6d. for four quarters commencing 1st January, 1960. Gallagher *J.* was of opinion that the increase should be one of 10s. a week, and that the increased wage should become payable as from the date chosen by the President. Foster *J.*, while holding his opinion, decided to concur in the decision proposed by the President.

A summary of the separate reasons for judgment was published in Official Year Book No. 46, pages 437-9.

(viii) *Basic Wage Inquiry*, 1960. On 16th February, 1960, the Conciliation and Arbitration Commission, constituted in Presidential Session by Kirby *C.J.* (President), Ashburner and Moore *J.J.* (Deputy Presidents), commenced hearing an application by respondent unions for the restoration to the Metal Trades Award of quarterly adjustments to the basic wage and for an increase in the amount of the basic wage. On the six capital cities rate, the amount of the increase sought was 22s. a week. This amount was composed of two parts—firstly, an addition of 5s. a week to restore to the basic wage the same real value as it had in 1953, and, secondly, a further amount of 17s. representing the unions' estimate of the minimum increase in productivity which had occurred in the period since the automatic adjustment system was abolished.

The Commonwealth Government intervened in the public interest and again presented a detailed analysis of the economic situation of Australia, together with comments on fiscal and budgetary policy. It also announced its opposition to the unions' application both for restoration of automatic quarterly adjustments and for an increase in the basic wage. The State of South Australia presented material to the Commission to show the effect which wage increases would have on its finances, and opposed the unions' application. Victoria, Queensland and Western Australia presented information to show how their finances would be affected by wage increases, but neither supported nor opposed the claims of the applicants. Tasmania indicated that it supported the application for restoration of quarterly adjustments, but made no submissions.

In its judgment, delivered on 12th April, 1960, the Commission refused the unions' application.* A summary of the judgment is given in the following paragraphs. Further particulars may be found in Official Year Book, No. 47, pp. 443-6.

Application for Restoration of Quarterly Adjustments. Counsel for the unions criticized the decision in the 1953 inquiry to abolish automatic quarterly adjustments to the basic wage and also the decisions, in subsequent inquiries, against their re-introduction. He submitted that it would be inequitable and unjust not to restore the practice which existed for many years prior to 1953, of having the basic wage automatically adjusted each quarter in accordance with movements in a price index. He relied in particular on the 1934 basic wage judgment.

* *Commonwealth Arbitration Reports*, Vol. 94, p. 313.

In refusing the application, the Commission stated that the decision in the 1934 case was not relevant, as the question of automatic quarterly adjustments must be decided in the light of existing situations and practices. In 1934, the basic wage was determined for an undefined period and automatic quarterly adjustments applied. In 1960, the Commission was considering a situation in which in practice the basic wage was re-assessed each year. The Commission decided that it was preferable to fix a basic wage which it considered just and reasonable for the ensuing twelve months and then review it. In the Commission's view it was not inequitable or unjust not to restore automatic adjustments.

Application to Increase the Basic Wage. The Commission referred to the two elements that comprised the total wage paid to most workers under federal awards, namely, the basic wage and a margin. The existence of these two elements was a result of the history of federal wage fixation and had received legislative approval. The legislation required that the basic wage and margins be dealt with by differently constituted benches of the Commission. The basic wage could be altered only by the Commission in Presidential Session, that is, by a bench constituted by three or more judges; margins could be altered by a single member of the Commission or by a full bench constituted by at least three members of whom at least one had to be a judge, and the President could, on the ground of public interest, direct that applications for alterations of margins be dealt with by a full bench. The Commission then went on to state briefly the recent history of basic wage and marginal fixation and referred to the four basic wage increases in the years 1956 to 1959 and the increases in margins in 1947, 1954 and 1959. The Commission expected that, in the light of the history of marginal fixation since 1947, it would be asked to consider the question of general marginal increases every few years. So long as its decisions regarding metal trades margins were given general application, and so long as the annual review of the basic wage continued, it followed that in one particular year the Commission constituted by a full bench of judges would review the basic wage and, constituted by a mixed bench, review margins. When the economy was found capable of sustaining an increase in both the basic wage and margins, it followed that the economic and psychological effect of each increase was affected and indeed highlighted by the other. This happened in 1959, when the basic wage was increased as from June by 15s., or an increase of 6 per cent., and margins were increased as from December by 28 per cent. of the amount of the margins existing as a result of the 1954 review by the Court. Together, the 1959 increases approximated 8 to 10 per cent. of award wages.

The Commission was required by legislation to treat the basic wage and margins separately, but although constituted differently for each task, at the time of fixation of rates it had to look forward to the period which its decision would cover; that is, a year for the basic wage and, generally speaking, a longer period for margins. In dealing with the application then before it, the Commission had to decide whether the basic wage should again be increased, although less than a year had elapsed since increases were granted in both the basic wage and margins.

The unions submitted that since 1952-53 all the economic indicators customarily used by the Commission had shown significant improvement. The employers submitted that there were two factors dominating the economic scene, namely, the two wage increases granted by the Commission in 1959, and the lifting of import restrictions by the Commonwealth Government. The whole of the economic material available to the Commission had to be discounted by the fact that the combined effect of the two wage increases had not at that time been felt by the economy. As to the lifting of import restrictions, the likelihood was that there would be an appreciable increase in the amount of imports, which would render more difficult the task of local manufacturers, a task already made difficult by the wage increases in 1959.

The Commonwealth Government stated that, although no quantitative estimate could be made of the increase in imports likely to occur as a result of the lifting of import restrictions, the significance of their removal was that it had come at a time when the effects of the 1959 wage increases had not been fully felt. The effect on the annual wages bill of the increased margins was estimated to be about £100 million and the direct cost of the 1959 basic wage increase about £65 million. In the Commonwealth's view, these increases would raise costs and price levels significantly and further secondary effects would follow. They would also give a further strong stimulus to the demand for goods and services. The Commonwealth Government submitted that what were needed were a firm rejection of any new measures that would add to current inflationary pressures and time for the adjustment of the economy to the general wage increases of 1959. The Commission considered that such a clear statement of the Commonwealth Government's attitude, supported by submissions and economic material, was a matter which it must seriously take into account.

Having referred to the substantial increases in both basic and secondary wages that had been granted in the previous twelve months to employees under federal awards, and to the fact that their effects had not at that time been reflected in the economy, the Commission concluded:—" We consider that it would be unsafe and perhaps dangerous to increase the basic wage at this point of time. We have formed this opinion with a full sense of the obligation which this Commission has to fix the basic wage from time to time at the highest amount that the economy can sustain so that the wage and salary earner may obtain his proper share of goods and services. On the other hand we are mindful of the danger to the whole community, including the wage and salary earner, of the basic wage being fixed at an amount which might increase inflation and upset the stability of the economy."*

(ix) *Differential Basic Wage Inquiries, 1960.* On 9th August, 1960, the Commonwealth Conciliation and Arbitration Commission commenced hearing claims by:—(a) the Federated Engine Drivers and Firemen's Association of Australia to vary the Engine Drivers and Firemen's (General) Award by eliminating country differentials from basic wages prescribed therein; (b) employers' associations in South Australia to vary the Metal Trades Award by providing that future basic wage increases for Adelaide should be 25 per cent. less than basic wage increases for Sydney until the Adelaide basic wage was 90 per cent. of the Sydney basic wage, and that the basic wage applicable in areas other than Adelaide, Whyalla and Iron Knob should be £13 8s. and should remain unchanged until the Adelaide rate reached £14.

Judgment was delivered on 14th December, 1960. The Commission granted the application to eliminate specified country differentials from the Engine Drivers and Firemen's (General) Award, the new basic wages to be payable from the beginning of the first pay-period commencing on or after 1st January, 1961. Other awards were adjusted similarly on application to the Commission. The employers' applications in respect of basic wages in South Australia were both rejected.

(x) *Basic Wage and Standard Hours Inquiry, 1961.* On 14th February, 1961, the Commonwealth Conciliation and Arbitration Commission, constituted by Kirby C.J. (President), Ashburner and Moore J.J. (Deputy Presidents), commenced hearing applications by employers and unions for variation of the Metal Trades Award. In the first application the employers sought to increase the number of ordinary working hours per week from 40 to 42, with a concomitant increase in weekly wages by an amount equivalent to two hours pay at ordinary rates, and to effect certain other consequential variations. In the second the unions applied for an increase in the basic wage on a six capital cities basis by the amount of 49s. (which was amended during the hearing to 52s.) and for the re-introduction of automatic quarterly adjustments based on the "C" Series Retail Price Index. The amount claimed represented 27s. (30s.) for cost of living increases since 1953 and 22s. to reflect increases in productivity since that time.

In its judgment, delivered on 4th July, 1961, the Commission refused the employers' application and the unions' application for restoration of quarterly adjustments, and increased the basic wage of adult male employees covered by federal awards by a uniform amount of 12s. a week, payable from the beginning of the first pay-period commencing on or after 7th July, 1961.†

The applications were heard together, but although from time to time reference was made to the employers' claim, in essence it was the unions' claim which was to the forefront and with which all the parties principally concerned themselves.

The Unions' Claims. In dealing with the unions' claims, the Commission first discussed its own role and that of the Commonwealth and States.

In view of certain propositions put forward which seemed to be founded on the assumption that it had jurisdiction to deal with economic matters at large, the Commission once again set out the role and function of a federal arbitral tribunal in cases such as this. After citing what had been said in earlier judgments, the Commission further stated:—" We are not national economic policy makers or planners. We are confined to the legislation under which we act, and, in particular, in basic wage cases we have the function of deciding only what is a just and reasonable basic wage. This does not mean of course, that we have not to consider seriously the probable effects of our decision on the economy."

* *Commonwealth Arbitration Reports*, Vol. 94, p. 321.
Vol. 97, p. 378.

† *Commonwealth Arbitration Reports*,

The question of what weight the Commission should give to the attitude and submissions of the Commonwealth Government was again raised. In the 1960 Basic Wage Inquiry, the attitude of the Commonwealth was positively stated to be one of opposition to a wage increase, but in the 1961 Inquiry, although the Commonwealth followed its usual practice of supplying, for the benefit of the Commission and the parties, certain economic and statistical material, it expressed no attitude other than its opposition to the re-introduction of quarterly adjustments. The Commission stated that it was not concerned with drawing inferences, as it had been asked to do, from the material presented, as to whether the Commonwealth had an attitude, and as to what it might be. The mere fact that the Commonwealth adopted an attitude before the Commission would not result in that attitude being accepted. Any opposition to or support of any claim by the Commonwealth would be treated on its merits.

All States except New South Wales were represented at the hearing. South Australia made no submissions and called no evidence. Tasmania indicated its support for the unions' application for the restoration of automatic adjustments, plus an adjustment of the basic wage to the level indicated by the movement in the "C" Series Index, but presented no material. Victoria, Queensland and Western Australia neither supported nor opposed the application of the unions, but all presented some statistical information.

In claiming the re-introduction of automatic quarterly adjustments, counsel for the unions submitted, firstly, that the reasoning in each of the judgments of the Court and the Commission from 1952-53 to 1960 was wrong and that there was in none of them any proper reason for rejecting the principle of automatic quarterly adjustments; and secondly, that it was wrong for the Commission to fix a wage based on the capacity of the economy and not to provide some machinery which would ensure that the value of the wage was not subsequently eroded by price movements when prices increased.

The Commission considered it indisputable that at the time of its fixation the amount of a basic wage is both a money wage and a real wage, but the value of the real wage is altered by subsequent changes in price levels. Counsel for the unions submitted that a real basic wage should be determined from time to time with some interval longer than one year between determinations, and that the real value of the basic wage between determinations should be maintained automatically by adjustment in accordance with a price index. Unless this were done, the amount of goods and services that could be purchased by the basic wage would decline as prices rose.

The Commission was asked to assume that between basic wage fixations the capacity of the economy to maintain a basic wage would increase or remain constant. If capacity were to diminish, the unions argued, the Commission was of easy access and employers could seek corrective action. The Commission's duty was to fix a just and reasonable basic wage, and the provision of automatic quarterly adjustments would ensure that this was done. Further, the provision of automatic adjustments would relieve the Commission of the necessity of annual reviews of the state of the economy. The unions claimed that it was not practicable for the Commission to make a proper assessment of the economy, including movements in productivity, every twelve months, and to give proper consideration to the fixation of a new real basic wage.

The Commission rejected the employers' argument that the unions were really asking it to return to a needs basic wage as distinct from a capacity basic wage.

It went on to consider the practical difficulty which would in the past have confronted both the Court and the Commission if they had attempted to ensure that a basic wage fixed by them could be properly maintained at its real level. The Commission stated:—
 " . . . the 'C' Series Index was over a period becoming suspect and the Court and the Commission could not have relied on it to achieve a proper result. The emergence of the Consumer Price Index, however, has removed that difficulty and we are therefore now able to seek to ensure that the basic wage which we fix should, subject to our supervision, maintain its real standard; in other words, that employees should, between fixations of the real basic wage and subject to our supervision, continue to be able to purchase the same amount of goods and services with the basic wage portion of their wage. We add that amongst other things the emergence of the Consumer Price Index has also enabled us to fix at this time a standard which, in our view, is more likely to be properly maintainable than recent past standards."*

Having reached the conclusion that the principle of the maintenance of the purchasing power of the basic wage could be adopted, the Commission found it unnecessary to deal with the first part of the unions' argument, as to the correctness or otherwise of earlier decisions.

* *Commonwealth Arbitration Reports*, Vol. 97, p. 385.

After comparing the "C" Series Retail Price Index and the Consumer Price Index, the Commission said:—"In our view the material available demonstrates the superiority of the Consumer Price Index over the 'C' Series Retail Price Index. The former is an index recently constructed by the Commonwealth Statistician in order to give a proper and accurate up-to-date coverage of movements in retail prices. The latter index, on a regimen constructed many years ago, can no longer in our view be considered reliable for wage-fixing purposes. We find the Consumer Price Index suitable under present circumstances for the maintenance of the purchasing power of the basic wage we will now fix."*

It was then necessary to consider the question of how movements in the Consumer Price Index could be used. In the 1959 and 1960 basic wage decisions the Commission had stated that it was preferable to have an annual review rather than provide for automatic adjustments. However, with the publication of the Consumer Price Index, upon which greater reliance could be placed, what had been said in those two cases was no longer adequate. Nevertheless, the Commission was not prepared to return to a system whereby adjustment was purely automatic, because it thought that there should be some safeguard. Although the Consumer Price Index was preferred to the "C" Series Retail Price Index, it could not be assumed that this index would at all times so accurately measure movements in retail prices that the Commission would be prepared to apply its workings automatically to the basic wage.

In its judgment, the Commission stated:—"We consider it desirable that the application of the Consumer Price Index should always be subject to control by the Commission and the Commission should be able to decide whether a particular increase or decrease in the figures as disclosed in the Consumer Price Index should be applied to the basic wage. Our present opinion is that this consideration of prices should take place annually. We will each year make the assumption that the effect of movements in the Consumer Price Index should be reflected in the basic wage unless we are persuaded to the contrary by those seeking to oppose the change. As the basis of our decision is the desirability of maintaining the value of the real wage based on the concept of national capacity, the appropriate matter for consideration would appear to be what should be the effect on the six capital cities basic wage of movements in the six capital cities index. The resulting figure will be applied to all federal basic wages.

"Since such a consideration of price movements is to take place annually, the question remains whether the Commission should at the annual hearing continue to review all factors in the economy to decide whether or not to change the level of the real basic wage. It seems to us that once the question of prices is dealt with otherwise, a review of the economy generally and in particular of productivity increases could more properly take place at longer periods of time, say, every three or four years. This statement of our views does not, of course, preclude any party from seeking to exercise its right to come to the Commission more frequently than every three or four years to seek a change in the real basic wage but, except in unusual circumstances, we consider such a period a proper interval between reviews of this kind."†

The Commission concluded that the basic wage which it had fixed took into account increases in productivity up to June, 1960, and it therefore anticipated that a review of the real basic wage would not be necessary for some three years. The Commission went on:—"If our anticipation is correct, in the proceedings next year the only issue will be whether or not the money wage should be adjusted in accordance with any change in the Consumer Price Index. The onus will be on the party opposing such an alteration to show that it should not be made. If the price index has risen the unions may rely *prima facie* on that fact. It will then be for the employers to show that the increase in prices is of an exceptional character . . . so that it should not be reflected in a basic wage increase or that there is some special factor in the economy which would make it inadvisable to allow the increase."‡

The Commission had in the past felt some difficulty in endeavouring to make a satisfactory assessment of the economy from the long-range point of view every twelve months, and this difficulty played its part in the Commission's attempt to confine short-term considerations to price movements, and to allow a longer period of time between considerations of the long-term trends in the economy.

On the subject of departure from past practices, the Commission said:—"We consider it to be of importance that the Commission should not only consider itself open to depart from past practices when the occasion demands, but that it should make it quite clear that this will happen when the Commission, after due and careful consideration, considers it necessary. The concept is fundamental to our decision to depart from what has become the practice of having annual reviews of the basic wage in which the question of price increases is only one of a number of factors and is not given any special status."‡

* *Commonwealth Arbitration Reports*, Vol. 97, p. 386.

† *Ibid.*, p. 387.

‡ *Ibid.*, p. 388.

Productivity. The unions claimed that there should be an increase of 22s. a week in the basic wage, based on an estimated one per cent. per annum increase in productivity over the previous decade, and that since 1952-53 no proper allowance had been made in the amounts awarded for increases in productivity. On this subject, the Commission stated:—"The question of productivity has been mentioned from time to time in various judgments of the Commission and there is really no dispute between the parties that workers are entitled to their share of increases in productivity. The issues between the parties are whether productivity can be measured with reasonable accuracy and whether in fact, through wage increases, workers have received their share of increased productivity."*

In evidence presented by the unions, productivity was calculated by taking the Gross National Product for a year, deflating it by a price index and dividing the figure corrected for prices by (a) population and (b) the total of wage and salary earners in civilian employment. On the basis of these calculations, it was claimed that from 1952-53 to 1959-60 productivity had increased by about 2.6 per cent. per annum, "real" average earnings had increased by less than productivity, and the "real" basic wage had decreased. Counsel for the unions submitted that by taking 1 per cent. per annum the unions had clearly allowed for a safe margin of error.

In answer to this, the employers produced a similar type of calculation, but one that used a different deflator and 1949-50 as the base year. On this basis, it was claimed that the "real" basic wage had increased slightly more than productivity per person employed and some 10 per cent. more than productivity measured on a population basis, and "real" average weekly earnings had increased more than the "real" basic wage.

After considering the various calculations which had been submitted, the Commission concluded that 1952-53 was an abnormal year for the purpose of relevant comparison, and that 1949-50 was a more satisfactory starting point. In the Commission's view, it followed that the 1960 basic wage properly reflected increased productivity in so far as that could be approximately measured.

The employers claimed that the Commission should look at average weekly earnings as the true indicator of whether increases in productivity had been distributed to the work force, and that the only thing to be measured against productivity was what was in fact earned, and not the basic wage. In the Commission's view, the relevant consideration in fixing a basic wage was whether, if average weekly earnings properly reflected increased productivity but the basic wage did not, there was room for an increase in the basic wage based on the same increased productivity. In view of its finding that the 1960 basic wage did reflect increased productivity, the Commission concluded that it was unnecessary to decide the question on that occasion.

The Commission, having reviewed in detail indicators of the state of the economy, considered that the economy had the capacity to sustain an increase of 12s. in the basic wage and that that increase was the highest that could be sustained. This amount was sufficient to restore to the 1960 basic wage its purchasing power as measured by the Consumer Price Index.

The Commission considered the standard of the seven basic wages of the previous ten years and decided that the most appropriate one was the standard of 1960. It felt that the new basic wage combined in the result its conclusions on fundamental factors in a threefold way, because it was fixed at the highest amount the capacity of the economy allowed, it adopted as a standard that set by the basic wage of 1960, and it took account of productivity increases up to and including 1959-60.

Both the employers and the Commonwealth Government warned of the danger of inflation which might result from an increase in wages. However, the Commission pointed out that there was no legal reason why any increase in the basic wage should not be absorbed by over-award payments, although this might not be possible because of industrial pressure and scarcity of skilled labour. While the increase in wages granted would cause some increase in costs, the stimulation of demand would only restore it to the level of the previous year. The estimated increase of £60 million a year in wages and salaries would add less than 2 per cent. to the annual wages bill.

The Employers' Claim. The employers' claim was for an increase in standard hours from forty to forty-two per week, with a concomitant increase in the weekly wage equivalent to two hours pay at ordinary rates. This was to operate for four years, after which time weekly hours would revert to forty but the increased wage would remain. The Commission rejected arguments supporting this application, which stated that such a measure was called

* *Commonwealth Arbitration Reports*, Vol. 97, p. 389.

for by the balance of payments crisis, and that it would lead to increased productivity at stable prices and distribute more evenly the amount of overtime worked. The Commission did not think that the state of the economy was such that standard hours should be increased.

Employees on Lower Margins. During the course of the proceedings, the President asked for submissions on the question of whether, by prescription of the basic wage, special consideration should or could be given to those employees who receive a margin above the basic wage of, say, £1 a week or less. The Commission decided that even if it had jurisdiction it would not, as a matter of discretion, make a differential basic wage at that time.

Annual Leave Decision. The Commission rejected the view that the reasons given for not granting an increase in annual leave in 1960 should impel it to refuse an increase in the basic wage. The question of wages was more fundamental and more important to the worker than the question of leave, and reasons which might delay the granting of additional leave might not be of sufficient weight to delay a basic wage increase. Also, had an increase in annual leave been granted, the Commission might not have been able to grant the increase in wages.

Decisions. The decisions of the Commission were as follows.

- “ 1. The employers' claim for an increase in the standard hours of work from forty to forty-two with a concomitant increase in the weekly wage equivalent to two hours' pay at ordinary rates is refused.
2. The unions' claim for restoration of automatic quarterly adjustments is refused.
3. The basic wages of adult male employees covered by federal awards will be increased by a uniform amount of 12s. per week.
4. The new rates will come into effect from the beginning of the first pay-period commencing on or after 7th July instant subject to special cases.
5. For the specific reasons set out in the judgment we consider that in February next the only issue in regard to the basic wage should be why the money wages fixed as a result of our decision should not be adjusted in accordance with any change in the Consumer Price Index and for the purpose of deciding that issue the Order giving effect to the decisions hereby announced will also provide for the adjournment of the application of the unions for increase of the basic wages under the Metal Trades Award to Tuesday, 20th February, 1962, in Melbourne, when such submissions thereon as are desired to be made will be heard.
6. The decision regarding increases in basic wages is applicable to all the applications which have been ordered by the Commission to be joined for hearing and decision with the original application and those joined applications are stood over to a date after 20th February, 1962, to be fixed by the Commission.”*

(xi) *Basic Wage Inquiry, 1962.* In accordance with decision No. 5 in the 1961 Inquiry (see above), the adjourned hearing was held on 20th February, 1962, before Kirby C.J., and Ashburner and Moore JJ.

Counsel for the unions submitted that, although the 1961 judgment represented a recognition of union claims as to the need to maintain the real value of the basic wage, it had not met in full the demands of the trade union movement. The unions intended to return to the Commission at the appropriate time to argue at length for the implementation of their policy as to the basic wage standard and the question of quarterly adjustment.

In the employers' submission, reference was made to the Commission's 1961 judgment as indicating a firm intention to confine argument in the current hearing to the quantum of any basic wage change and to exclude any re-examination of the Commission's departure from previously accepted principles. As the Consumer Price Index had shown practically no change between the March and December quarters of 1961, there could be no change in the basic wage. However, the employers' view was that in any hearing involving movement in the basic wage the parties must be free to discuss economic capacity to sustain the basic wage at any given level and the principles upon which it is computed.

Counsel for the Commonwealth stated that at the proper time the Commonwealth would appear before the Commission to present argument as to the use of price indexes in basic wage fixation and other important issues raised by the 1961 judgment. However the matter might come before the Commission as a matter of procedure, when circumstances called for the debate of any substantive issue the Commonwealth would be in a position to make further submissions.

* *Commonwealth Arbitration Reports*, Vol. 97, p. 416.

The Commission decided that there would be no alteration in the amounts of the existing basic wages until further order; and further adjourned the application before it until 19th February, 1963. At the adjourned hearing the issues would be: (a) The issue set out in paragraph 5 of the decisions of 4th July, 1961 (*see* p. 479); (b) Any issue which a party desired to raise and of which it had given notice to the Industrial Registrar, the other parties and to the Attorney-General by 31st January, 1963. The applications referred to in paragraph 6 of the decision of 4th July, 1961, were stood over to a date after 19th February, 1963, to be fixed by the Commission with liberty to any of the parties to those applications to apply in the meantime.

(xii) *Basic Wage Inquiry*, 1963. This was an adjourned inquiry which arose out of an order made by the Commission on 20th February, 1962 (*see* p. 479). The hearing was held on 5th February, 1963 before Kirby C.J., Ashburner and Moore J.J.

During the proceedings, counsel for the unions discussed the various methods by which changes in the rates of basic wage could be calculated by using changes in the index numbers of the Consumer Price Index. Counsel asked for a direction by the Commission as to which method should be used.

In conformity with the decision in the 1962 Basic Wage Inquiry (*see* above), counsel for the employers gave notice to the Commission that issues and procedures referred to in the 1961 Basic Wage Judgment that related to the fixation of wages or conditions of employment by reference to the capacity of the national economy would, of necessity, be argued at the present hearings.

The employers submitted that the following matters were essential considerations in the hearing and determining of any application seeking to alter wages and conditions of employment on a national basis.

- (a) The role of the Commission in relation to government economic or fiscal policies, inflation, etc.
- (b) The justification for adjustment of wages by reference to a price index either automatically or *prima facie*, including the relationship between movements in a price index and variations in capacity of the national economy.
- (c) The relationship between the capacity of the economy to absorb increases in wages or labour costs and the movements or likely movements in national productivity.

Counsel for the unions pointed out that the matters raised by the employers could be discussed only before a Presidential Bench of the Commission and that the employers could not seek the right to argue the 1961 basic wage decisions before a bench of the Commission constituted otherwise.

In the judgment given on 5th February, 1963 the Commission said:—

“1. There will be no alteration in the amounts of the existing basic wage until further order of the Commission.

2. The application before the Commission is further adjourned until 18th February, 1964.

3. At such adjourned hearing the issues will be:

- (a) The issue set out in paragraph (5) of the decision of 4th July, 1961 (*see* page 479), and
- (b) Any issue which a party desires to raise and of which it has given notice to the Industrial Registrar, the other parties, and the Attorney-General, by the 31st January, 1964.”

With regard to the matter of the use of statistics, which had been raised by counsel for the unions, the Commission felt that it was not the appropriate time to deal with the matter, but it would be further considered when it was appropriate.

The Commission referred to the matter raised by the employers concerning the considerations to be taken into account by the Commission when hearing applications to alter wages and conditions of employment, and ruled that it was not the appropriate time to deal with the submissions made.

If submissions were made before benches of the Commission differently constituted from the present one, then those benches were the ones to deal with their relevance, admissibility or otherwise.

The application referred to in para. 6 of the decision of 4th July, 1961, were further stood over to a date after 18th February, 1964, to be fixed by the Commission with liberty to any of the parties to these applications to apply in the meantime.

(xiii) *Basic Wage Inquiry, 1964.* The Commonwealth Conciliation and Arbitration Commission announced on 9th June, 1964, its decision on trade union claims for an increase in basic wages for adult males covered by federal awards. The Commission was unanimous that an increase be granted, but was divided equally in opinion on the amount of the increase, the President (Kirby C.J.) and Moore J. being of the opinion that it should be 20s. and Gallagher and Nimmo J.J. that it should be 10s. The Commission being equally divided in opinion, the matter was decided according to the opinion of the President, as provided in the Conciliation and Arbitration Act. The increase of 20s. a week would apply to adult male employees covered by federal awards and would operate from the beginning of the first pay period commencing on or after 19th June, 1964. The Commission refused the unions' application for restoration of automatic quarterly adjustments of the basic wage. The 1s. per week disparity in the basic wage for station hands under the Pastoral Award was abolished. A summary of the reasons for these decisions will be included in the next issue of the Year Book.

(xiv) *Employers' Total Wage Case, 1964.* On 9th June, 1964, the Commonwealth Conciliation and Arbitration Commission announced its decision rejecting the application of employers for deletion from the Commission's awards, generally, of the basic wage provisions and for the insertion in those awards of a wage expressed as a total wage. A summary of the reasons for this decision will be included in the next issue of the Year Book.

(xv) *Rates Operative, Principal Towns.* The basic wage rates of the Commonwealth Conciliation and Arbitration Commission for adult males and females, operative as from the beginning of the first pay period commencing on or after 19th June, 1964, are as shown in the following table.

COMMONWEALTH BASIC WAGE: WEEKLY RATES(a), 1964

City or town	Rate of wage		City or town	Rate of wage	
	Adult males	Adult females		Adult males	Adult females
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
New South Wales—			Western Australia—		
Sydney ..	15 15 0	11 16 0	Perth ..	15 8 0	11 11 0
Newcastle ..	15 15 0	11 16 0	Kalgoorlie ..	15 15 0	11 16 0
Port Kembla—			Geraldton ..	16 1 0	12 0 6
Wollongong ..	15 15 0	11 16 0	Five Towns ..	15 9 0	11 11 6
Broken Hill ..	15 19 0	11 19 0	Tasmania—		
Five Towns ..	15 14 0	11 15 0	Hobart ..	15 14 0	11 15 6
Victoria—			Launceston ..	15 10 0	11 12 6
Melbourne ..	15 7 0	11 10 0	Queenstown ..	15 5 0	11 8 6
Geelong ..	15 7 0	11 10 0	Five Towns ..	15 12 0	11 14 0
Warrnambool ..	15 7 0	11 10 0	Thirty Towns ..	15 8 0	11 11 0
Mildura ..	15 7 0	11 10 0	Six Capital Cities	15 8 0	11 11 0
Yallourn(b) ..	15 13 6	11 15 0	Northern Territory—(d)		
Five Towns ..	15 7 0	11 10 0	Darwin ..	16 7 0	12 5 0
Queensland—			South of 20th Parallel ..	15 14 0	11 15 6
Brisbane ..	14 10 0	10 17 6	Australian Capital Territory—		
Five Towns ..	14 11 0	10 18 0	Canberra ..	15 10 0	11 12 6
South Australia—					
Adelaide ..	15 3 0	11 7 0			
Whyalla and Iron Knob(c) ..	15 8 0	11 11 0			
Five Towns ..	15 2 0	11 6 6			

(a) Operative from the beginning of the first pay-period commencing on or after 19th June, 1964; female rates are 75 per cent. of male rates. (b) Melbourne rate plus 6s. 6d. loading for males; 75 per cent. of male rate for females. (c) Adelaide rate plus 5s. for males; 75 per cent. of male rate for females. (d) Excludes special loadings—see p. 482.

The following table shows the movements of this wage in all State capital cities and the six capital cities during the period 1939 to 1964.

COMMONWEALTH BASIC WAGE: WEEKLY RATES, ADULT MALES(a)

Date operative(b)	Sydney	Mel-bourne	Brisbane	Adelaide	Perth	Hobart	Six capitals
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	<i>s. d.</i>
September, 1939 ..	81 0	81 0	76 0	78 0	77 0	77 0	79 0
November, 1942 ..	97 0	97 0	91 0	93 0	91 0	92 0	95 0
„ 1943 ..	99 0	98 0	93 0	94 0	94 0	95 0	97 0
„ 1944 ..	99 0	98 0	93 0	93 0	94 0	94 0	96 0
„ 1945 ..	99 0	98 0	93 0	93 0	94 0	94 0	96 0
„ 1946 ..	101 0	99 0	94 0	95 0	95 0	97 0	98 0
December, 1946 ..	108 0	106 0	101 0	102 0	102 0	103 0	105 0
November, 1947 ..	112 0	109 0	105 0	106 0	106 0	107 0	109 0
„ 1948 ..	122 0	120 0	115 0	116 0	116 0	118 0	119 0
„ 1949 ..	132 0	130 0	125 0	126 0	129 0	128 0	129 0
„ 1950 ..	146 0	143 0	135 0	137 0	139 0	139 0	142 0
December, 1950(c) ..	165 0	162 0	154 0	158 0	160 0	160 0	162 0
November, 1951 ..	207 0	199 0	185 0	195 0	197 0	199 0	200 0
„ 1952 ..	237 0	228 0	216 0	229 0	228 0	230 0	231 0
August, 1953(d) ..	243 0	235 0	218 0	231 0	236 0	242 0	236 0
June, 1956 ..	253 0	245 0	228 0	241 0	246 0	252 0	246 0
15th May, 1957 ..	263 0	255 0	238 0	251 0	256 0	262 0	256 0
21st May, 1958 ..	268 0	260 0	243 0	256 0	261 0	267 0	261 0
11th June, 1959 ..	283 0	275 0	258 0	271 0	276 0	282 0	276 0
7th July, 1961 ..	295 0	287 0	270 0	283 0	288 0	294 0	288 0
19th June, 1964 ..	315 0	307 0	290 0	303 0	308 0	314 0	308 0

(a) Rates prescribed by the Commonwealth Conciliation and Arbitration Commission (before 30th June, 1956, the Commonwealth Court of Conciliation and Arbitration). Rates include prosperity loadings, where applicable. (b) Rates operative from the beginning of the first pay-period commencing in the month shown or commencing on or after the date shown. (c) From December, 1950 the basic wage rates for adult females have been 75 per cent. of the rates for adult males. (d) Automatic adjustment discontinued (see p. 469).

A table showing Commonwealth basic wage rates from 1923 to 1961 was published in the Appendix to *Labour Report No. 49*.

3. **Australian Territories.**—In the Northern Territory, there are two basic wages operating, one in respect of areas north of the 20th parallel of South Latitude, generally referred to as the “Darwin” rate, and the other in respect of areas south of that parallel and extending down to the 26th parallel (the “Port Augusta” rate).

The basic wage rates payable as from the beginning of the first pay-period commencing on or after 19th June, 1964 were:—“Darwin” rate, adult males £16 7s., adult females £12 5s.; “Port Augusta” rate, adult males £15 14s., adult females £11 15s. 6d.

In addition to these rates, special loadings were prescribed in Northern Territory awards following the fixation of the basic wage rates operative from November, 1951.

In the Australian Capital Territory, the rates payable as from the beginning of the first pay-period commencing on or after 19th June, 1964 were £15 10s. for adult males and £11 12s. 6d. for adult females.

Further details of basic wage rates in the Northern Territory and the Australian Capital Territory may be found in *Labour Report No. 49*, pages 114–118.

4. **Basic Wage Rates for Females.**—Reference should be made to *Labour Report No. 49* (pp. 112–114) for an account of the fixation of minimum rates and basic wages for adult females by the Commonwealth Court of Conciliation and Arbitration. At the end of the 1949–50 Basic Wage Inquiry, the Commonwealth Court of Conciliation and Arbitration, by a majority decision, fixed the basic weekly wage for adult females at 75 per cent. of the corresponding male rate from the beginning of the first pay-period commencing in December, 1950. This percentage has continued to be prescribed in subsequent inquiries.

5. *State Basic Wages.*—(i) *New South Wales.* The first determination under the New South Wales Industrial Arbitration Act of a standard “living” wage for adult male employees was made on 16th February, 1914, when the Court of Industrial Arbitration fixed the living wage at £2 8s. a week for adult males in the metropolitan area. A Board of Trade, established in 1918, with power to determine the “living” wage for adult male and female employees in the State, made numerous declarations from 1918 to 1925, but ceased to function after the *Industrial Arbitration (Amendment) Act, 1926* transferred its powers, as from 15th April, 1926, to the Industrial Commission of New South Wales.

The adult male rate was determined on the family unit of a man, wife and two children from 1914 to 1925; a man and wife only in 1927, with family allowances for dependent children; and a man, wife and one child in 1929, with family allowances for other dependent children. However, with the adoption in 1937 of the Commonwealth basic wage, the identification of a specified family unit with the basic wage disappeared.

A State scheme of supplementing wages by child endowment became operative in New South Wales from July, 1927, and continued until superseded by the Commonwealth Government scheme in July, 1941. A brief account of the main features of the New South Wales system was given in *Official Year Book No. 37*, pages 485–6. For particulars of the Commonwealth scheme, see Chapter XVI. of this Year Book.

Shortly after the Commonwealth Court of Conciliation and Arbitration announced its decision in the 1937 Basic Wage Inquiry, the Government of New South Wales amended the *Industrial Arbitration Act* to make the State basic wage agree with the Commonwealth rate ruling in New South Wales, and to adopt, as far as practicable, the general principles of operation laid down by the Commonwealth Court. Further amendments to the *Industrial Arbitration Act* were made in 1950 to give effect to the new rates declared by the Commonwealth Court of Conciliation and Arbitration in the 1949–50 Basic Wage Inquiry (see page 469).

Differential basic wage rates for country areas (except Broken Hill) and for employees under Crown awards were eliminated by an amendment of the *Industrial Arbitration Act* in 1951. Separate rates for Broken Hill were discontinued in 1961 (see below).

Following the decision of the Commonwealth Court of Conciliation and Arbitration in September, 1953, to discontinue the system of automatic adjustment of the basic wage in accordance with changes in the “Court” Series retail price index numbers, the New South Wales Industrial Commission deleted the automatic adjustment clause from awards, etc., within its jurisdiction. As a result, the basic wages applicable for the State and operative from the beginning of the first pay-period commencing in August, 1953, remained unchanged until November, 1955.

In October, 1955, the *Industrial Arbitration Act, 1940–1955* was amended to provide for the automatic adjustment of the existing basic wage each quarter, in accordance with the movements in the Commonwealth Statistician’s “C” Series retail price index numbers. The first adjustment, based on the index number for the September quarter, 1955, represented the amount which would have been added to the basic wage if quarterly adjustments had not been suspended, and was made payable from the beginning of the first pay-period in November, 1955. Automatic adjustments have continued to operate since that date.

Act No. 29, 1961 (assented to on 13th October, 1961) amended the *Industrial Arbitration Amendment Act, 1961*, by adopting the Consumer Price Index numbers in place of the “C” Series retail price index numbers for purposes of the automatic quarterly adjustment of the basic wage. The November, 1961, variation was the first based on the Consumer Price Index. Consumer Price Index numbers relate only to capital cities and the weighted average for the six capital cities, and as a result the Sydney basic wage rate became the rate for the whole of New South Wales, separate rates no longer being prescribed for Broken Hill and “5 Towns” after November, 1961.

From the beginning of the first pay-period in May, 1964, the basic wage for adult males was £15 5s. and for adult females £11 9s.

The *Industrial Arbitration (Female Rates) Amendment Act* (No. 42, 1958), which became operative on 1st January, 1959, defined the existing basic wage for adult females as being 75 per cent. of the adult male rate and made provision for equal pay for males and females in certain circumstances. Where the Industrial Commission or a Conciliation Committee is satisfied that male and female employees are performing work of the same or a like nature and of equal value, they shall prescribe the same marginal or secondary rates of wage. The basic wage for these adult females was prescribed as 80 per cent. of the appropriate basic wage for adult males as from 1st January, 1959. Thereafter, the basic wage was to be increased annually by 5 per cent., so that on 1st January, 1963, it became the same as that for adult males.

A table showing, for the period from 16th February, 1914, to November, 1962, the basic wage rates for adult males and females payable in Sydney was published in the Appendix to *Labour Report* No. 49, 1961.

(ii) *Victoria*. There is no provision in Victorian industrial legislation for the declaration of a State basic wage. Wages Boards constituted from representatives of employers and employees, with an independent chairman, for each industry group or calling, determine the minimum rate of wage to be paid in that industry or calling. In general, these Boards have adopted a basic wage in determining the rate of wage to be paid.

By an amendment to the *Factories and Shops Act* in 1934, Wages Boards were given discretionary power to include in their determinations appropriate provisions of relevant Commonwealth Awards. A further amendment to this Act in 1937 made it compulsory for Wages Boards to adopt such provisions of Commonwealth Awards. The 1937 Act, as amended, also gave Wages Boards power to adjust wage rates, "with the variation from time to time of the cost of living as indicated by such retail price index numbers published by the Commonwealth Statistician as the Wages Board considers appropriate". The Wages Boards thus adopted the basic wages declared by the Commonwealth Court of Conciliation and Arbitration and followed that Court's system of adjusting the basic wage in accordance with variations in retail price index numbers.

After the Commonwealth Court of Conciliation and Arbitration discontinued the system of automatic adjustment of the Commonwealth basic wage in September, 1953, a number of Wages Boards met in November, 1953, and deleted references to these adjustments. However, an amendment to the *Factories and Shops Act* in November, 1953, required Wages Boards to provide for the automatic adjustment of wage rates in accordance with variations in retail price index numbers.

In October, 1956, an amendment to the *Labour and Industry Act* (which had superseded the *Factories and Shops Acts* in 1954) deleted the automatic adjustment provision and directed Wages Boards in determining wage rates to take into consideration relevant awards of, or agreements certified by, the Commonwealth Conciliation and Arbitration Commission. As a result of this legislation, the last automatic quarterly adjustment of the basic wage made was based on the variation in retail price index numbers for the June quarter, 1956, and was payable as from the beginning of the first pay-period in August, 1956. Following the judgment of the Commonwealth Conciliation and Arbitration Commission in the 1961 Basic Wage Inquiry, Wages Boards met in July and August, 1961, and varied their determinations by incorporating the new Commonwealth rates. As the 1964 Basic Wage Inquiry resulted in an increase of 20s. being made to the Commonwealth basic wage for adult males, the rates for Melbourne are £15 7s. a week for adult males and £11 10s. for adult females.

A table showing, for the period November, 1953 to July, 1961, the basic wage rates for adult males and females adopted by most Wages Boards was published in the Appendix to *Labour Report* No. 49, 1961.

(iii) *Queensland*. The *Industrial Conciliation and Arbitration Act* of 1929 established an Industrial Court, and provided that the Court could make declarations as to the basic wage and standard hours. This Act, as subsequently amended, was repealed by the *Industrial Conciliation and Arbitration Act* of 1961, which established, in addition to the Industrial Court, an Industrial Conciliation and Arbitration Commission. The full bench of the Commission, consisting of not less than three Commissioners, may make declarations as to, *inter alia*, the basic wage for males and/or females and the standard hours of work. The first formal declaration of a basic wage (£4 5s. for adult males) by the Queensland Court of Industrial Arbitration operated from 1st March, 1921. Prior to this declaration, the rate of £3 17s. a week for adult males had been generally recognized by the Court in its awards as the "basic" or "living" wage. The Queensland Industrial Conciliation and Arbitration Act provides that any basic wage declared must at least maintain an employee, his wife and family of three children in a fair and average standard of comfort.

From 21st April, 1942, the Queensland Industrial Court adopted the practice of making quarterly declarations of the basic wage on the basis of variations in the "C" Series retail price index numbers for Brisbane.

The Court granted increases of 7s. and 5s. to the basic wages for adult males and adult females respectively, payable from 23rd December, 1946, following the "interim" basic wage judgment of the Commonwealth Court of Conciliation and Arbitration announced earlier in December, 1946.

Following the decision of the Commonwealth Court of Conciliation and Arbitration to increase the male and female basic wages from December, 1950, the Queensland Industrial Court, after an inquiry, granted an increase of 15s. a week to both adult males and adult females, operative from 7th December, 1950. The new male rate was identical with the Commonwealth basic wage for the Brisbane metropolitan area and the basic wage payable to adult females became approximately 66 per cent. of the male rate.

In January, 1953, because the Court was not satisfied that the fall in the "C" Series index for Brisbane for the December quarter, 1952, was a true representation of the economic position for Queensland as a whole, it declined to make any alteration to the existing basic wage. However, quarterly adjustments were made for the next four quarters.

Following a Basic Wage Inquiry, the Court announced, on 11th June, 1954, that there would be no change in the basic wage rates declared for February, 1954. For the following four quarters, the Court also decided not to vary the existing basic wage rates. However, after considering the "C" Series index number for the quarter ended 30th June, 1955, and its relation to the index number for the March quarter, 1955, the Court announced that, as these figures showed a continued upward trend, the basic wage for adult males should be increased from 1st August, 1955. In this judgment, the Court emphasized that it held itself free whether or not to adjust the basic wage upwards or downwards in accordance with movements in the "C" Series retail price index numbers. The Court examined the movement in these index numbers for each subsequent quarter and announced variations in the basic wage.

On 22nd and 23rd April, 1958, the Court heard an application by combined unions for an immediate increase of £1 in the basic wage, on the ground that a state of emergency existed with regard to the cost of living. On 30th May, 1958, the Court dismissed the application.

In December, 1960, the Court determined that as from 1st May, 1961, the basic wage for adult females should be 75 per cent. of that for adult males.

In its basic wage declaration of 25th January, 1961, the Court referred to the opinion given by the Commonwealth Statistician that the "C" Series Retail Price Index had become an unreliable measure of retail price changes in recent quarters and to the fact that, for current statistical purposes, variations in retail prices were measured by the Consumer Price Index. Taking into consideration all relevant factors, including the approximate increase in price levels as disclosed by the Consumer Price Index, the Court decided to increase the basic wage for adult males by 4s. per week.

The *Industrial Conciliation and Arbitration Act* of 1961, which came into operation as from 2nd May, 1961, provided that all persons interested must be given an opportunity to be heard before any general declaration as to the basic wage can be made.

Following an inquiry, the Commission, in a decision issued on 24th May, 1961, increased the adult male basic wage by 4s. a week, which was approximately the amount of the increase indicated by the Consumer Price Index for March quarter, 1961.

In September, 1961 the Commission heard an application by employer organizations for a declaration of a general ruling that "in future the basic wage for males and/or females shall not be reviewed merely by reason of any change in the Consumer Price Index at intervals of less than twelve months". The application was opposed by the trade unions generally. In a judgment delivered on 14th November, 1961, the Commission refused the employers' application.

An inquiry held in November and December, 1962, dealt with an application by unions for increases of £1 4s. in the adult male basic wage and 18s. in the adult female basic wage. The application was opposed by employer organizations generally, by the State of Queensland and by the Queensland Commissioner for Railways. Judgment was given on 20th December, 1962, the application being refused.

A further application was made by trade unions for a declaration of a basic wage, and an inquiry was held in April, 1963. Employers generally opposed the application, and the State of Queensland, while adopting a neutral attitude, submitted information for the assistance of the Commission. In a judgment delivered on 26th April, 1963, the Commission increased the basic wage by 2s. a week for adult males and by 1s. 6d. a week for adult females from 6th May, 1963.

The rates payable in the Southern Division (Eastern District) from 6th May, 1963, were £14 6s. for adult males and £10 14s. 6d. for adult females.

In addition to the basic wage for the Southern Division (Eastern District), which includes Brisbane, adult males in other areas receive district allowances. As from 2nd February, 1959, the allowances have been:—Southern Division (Western District) 10s. 6d., Mackay Division 9s., Northern Division (Eastern District) 10s. 6d., Northern Division (Western District) £1 12s. 6d. The allowances for adult females are not less than 75 per cent. of those for adult males.

In the Appendix to *Labour Report* No. 49, a table was published showing adult male and adult female basic wage rates payable in the Southern Division (Eastern District) from 1st March, 1921, to 29th May, 1961.

(iv) *South Australia.* The *Industrial Code, 1920–1963* provides that the Board of Industry shall after public inquiry declare the “living wages” to be paid to adult male and adult female employees. The Board has power also to fix different rates to be paid in defined areas.

The family unit was not specifically defined in the Code, but the South Australian Industrial Court in 1920 decided that the average employee in respect of whom the living wage was to be declared was a man with a wife and three children. However, the concept of a family unit disappeared with the adoption of basic wage rates declared by the Commonwealth Conciliation and Arbitration Commission (*see below*).

The first declaration by the Board of Industry became operative from 4th August, 1921, when the living wage for adult male employees in the metropolitan area was determined at £3 19s. 6d. a week.

Following the “interim” increase in the “needs” basic wage of the Commonwealth Court of Conciliation and Arbitration, announced on 13th December, 1946, the South Australian Government made a provision in the *Economic Stability Act 1946* for the declaration by the Governor of a living wage based on the Commonwealth basic wage for Adelaide. This action was taken because the Board of Industry had made a determination on 5th September, 1946, and under the Industrial Code was unable to make a further determination for six months.

The *Industrial Code Amendment Act 1949* made provision for the quarterly adjustment of the living wage in accordance with the variations in the Commonwealth basic wage for Adelaide. In effect, this made the State living wage and the Commonwealth basic wage equal from the beginning of the first pay-period commencing in February, 1950. The prescribed adjustment to the female living wage was seven-twelfths of that made to the Commonwealth male basic wage. The Board of Industry retained power to amend the living wage, but any new living wage was to be adjusted quarterly as above.

Following the decision of the Commonwealth Court of Conciliation and Arbitration in the 1949–50 Basic Wage Inquiry, the South Australian *Industrial Code* was amended to provide for declarations of the living wage by proclamation to prevent unjustifiable differences between the State and Commonwealth rates of wage. By proclamation dated 30th November, 1950, the South Australian living wage in the metropolitan area was made identical with the December, 1950, rates fixed by the Commonwealth Court of Conciliation and Arbitration for the metropolitan area of South Australia. The female basic wage, which had been approximately 54 per cent. of the male basic wage, was increased to 75 per cent. of the corresponding male rate.

When the Commonwealth Court of Conciliation and Arbitration discontinued quarterly adjustments to Commonwealth basic wages in September, 1953, the South Australian living wage also ceased to be varied quarterly, and since that time it has remained the same as the Commonwealth basic wage for Adelaide. Following the Commonwealth basic wage inquiries in 1956 and subsequent years, increases were made to the South Australian living wages by proclamation. The rates operative from 22nd June, 1964, were £15 3s. for adult males and £11 7s. for adult females.

A table showing adult male and adult female basic wage rates for the whole State (with the exception of Whyalla and nearby area) from 1921 to July, 1961, will be found in Section XI of the Appendix to *Labour Report* No. 49.

(v) *Western Australia.* The *Industrial Arbitration Act 1912–1961* provides that the Court of Arbitration may determine and declare a basic wage at any time on its own motion and must do so when requested by a majority of industrial unions or by the Western Australian Employers' Federation, with the limitation that no new determination shall be made within twelve months of the previous inquiry.

The term "basic wage" is defined in the Act as "a wage which the Court considers to be just and reasonable for the average worker to whom it applies". In determining what is just and reasonable, the Court must take into account not only the "needs of an average worker", but also the "economic capacity of industry" and any other matters it deems relevant.

The Act provides that the Court of Arbitration may make adjustments to the basic wage each quarter, if the statement supplied by the State Government Statistician showing retail price index numbers and monetary equivalents in terms of the State basic wages indicates that there has been a variation of 1s. or more a week compared with the previous quarter. These adjustments generally apply from the dates of declaration by the Court.

The first declaration of the basic wage by the Court of Arbitration, after the authority to fix one was vested in the Court in 1925, operated from 1st July, 1926. The family unit is not specifically defined in the Act, but it has been the practice of the Court to take as a basis for its calculations a man, his wife and two dependent children. Since that date, the principal inquiries have been those of 1938, 1947, 1950 and 1951.

Following the judgment of the Commonwealth Court of Conciliation and Arbitration in the 1949-50 Basic Wage Inquiry, the Western Australian Court of Arbitration decided that the basic wage should be increased by £1 a week for adult males and by 15s. a week for adult females. As the result of a subsequent inquiry, the basic wage for adult females was increased from 1st December, 1951, to 65 per cent. of the corresponding male rate. This was subject to the condition that the increase in the basic wage should be offset by the reduction in, or deletion of, existing margins as specified by the appropriate award or determination.

Following the decision of the Commonwealth Court of Conciliation and Arbitration, in September, 1953, to discontinue quarterly adjustments to Commonwealth basic wages, the Western Australian Court of Arbitration exercised its discretionary power and declined to make any adjustments to the basic wage from November, 1953, to the June quarter, 1955.

However, from 9th August, 1955, the Court decided to increase the adult male basic wage by 5s. 11d. a week for Perth and to make corresponding increases for other areas. No further change was announced in the basic wage until January, 1956, and for each subsequent quarter to September quarter, 1961, the Court varied the State basic wages after considering the official statement supplied by the State Government Statistician, except in February, 1959, and February, 1960, when no change was made. Basic wage rates remained unchanged from 30th October, 1961, to 22nd April, 1963.

In a decision issued on 30th January, 1960, the Court, acting in recognition of an agreement between representatives of unions and employers, increased the basic wage for adult females from 65 per cent. to 75 per cent. of the adult male rate. The increased rates were payable from the beginning of the first pay-period commencing on or after this date. As in December, 1951, female margins were to be reduced or deleted to offset the increase in the female basic wage.

The rates payable in the metropolitan area as from 27th April, 1964, were £15 4s. 2d. for adult males and £11 8s. 2d. for adult females.

A table showing the West Australian State basic wage for the Perth Metropolitan Area, from 1926 to October, 1962, will be found in Section XI of the Appendix to *Labour Report No. 49*.

(vi) *Tasmania*. A State basic wage is not declared in Tasmania. Under the *Wages Board Act 1920-1961*, Wages Boards are constituted for a number of industries, from representatives of employers and employees and an independent chairman (who is common to all Wages Boards), with power to determine the minimum rates of wage payable in each industry. Until February, 1956, these Boards generally adopted the basic wages of the Commonwealth Court of Conciliation and Arbitration in determining the rates of wage to be paid.

Wages Boards have power to adjust their wage rates in accordance with variations in the cost of living as indicated by retail price index numbers published by the Commonwealth Statistician. When the Commonwealth Court discontinued the system of automatic adjustments of the basic wage in September, 1953, the Chairman of the Wages Boards stated he was of the opinion that automatic adjustment clauses should be deleted from all Wages Boards determinations. Before Wages Boards met to consider this matter, the wage rates for all determinations were automatically adjusted upwards from the beginning of the first pay-period commencing in November. By early December, 1953, all Wages Boards had met and deleted the automatic adjustment clause from determinations and cancelled the adjustment increases payable from November.

Automatic quarterly adjustments in accordance with movements in retail price index numbers were re-introduced by Wages Boards in February, 1956, and restored the basic wage to the level it would have reached if quarterly adjustments had not been discontinued in 1953. A further basic wage increase was payable from the first pay-period in May, 1956.

Upon application by the Employers' Federation of Tasmania, a compulsory conference of employer and employee representatives was held on 22nd and 25th June, 1956, to consider the adoption of Commonwealth basic wages and the deletion of automatic quarterly adjustment provisions. At the conclusion of the conference, the Chairman of the Wages Boards stated he was of the opinion that the adjustments should be suspended for a period in an endeavour to achieve some measure of stability. However, he pointed out that any Wages Board was competent to adopt, by agreement between the representatives of employers and employees or majority decision, the Commonwealth Court's basic wage or any other method of fixing the basic wage.

The majority of Wages Boards suspended automatic quarterly adjustments after the August, 1956, adjustment, and wage rates remained unchanged until July, 1959, when the Commonwealth rates were adopted. Following the decision of the Commonwealth Conciliation and Arbitration Commission in July, 1961, to increase the basic wage, Wages Boards met during July, and incorporated the new rates in their determinations. The rates for Hobart then became £14 14s. for adult males and £11 0s. 6d. for adult females. These rates operated until June, 1964, when, following the increase of 20s. in the Commonwealth basic wage for adult males, the rates became £15 14s. and £11 15s. 6d., respectively. During January, 1961, Wages Boards adopted the basic wage for Hobart as the uniform rate applicable throughout the State.

A table was published in the Appendix to *Labour Report* No. 49, 1961, showing basic wage rates for adult males and females generally adopted in Hobart for the period February, 1956, to July, 1961.

During 1962, a number of Wages Boards met and varied determinations by making provision for the automatic adjustment of the basic wage to conform to any change in the basic wage determined from time to time in awards of the Commonwealth Conciliation and Arbitration Commission.

(vii) *State Basic Wage Rates.* The "basic" wage rates of State industrial tribunals, operative in June, 1963, and June, 1964, are summarized in the following table.

STATE BASIC WAGES: WEEKLY RATES

State	June, 1963			June, 1964		
	Date of operation (a)	Adult males	Adult females	Date of operation (a)	Adult males	Adult females
		s. d.	s. d.		s. d.	s. d.
New South Wales	May, 1963	302 0	226 6	May, 1964	305 0	229 0
Victoria(b)	July, 1961(c)	287 0	215 0	June, 1964(c)	307 0	230 0
Queensland—						
Southern Division—						
Eastern District, including						
Brisbane	6. 5. 63	286 0	214 6	6. 5. 63	286 0	214 6
Western District	6. 5. 63	296 6	222 6	6. 5. 63	296 6	222 6
Mackay Division	6. 5. 63	295 0	221 3	6. 5. 63	295 0	221 3
Northern Division—						
Eastern District	6. 5. 63	296 6	222 6	6. 5. 63	296 6	222 6
Western District	6. 5. 63	318 6	239 0	6. 5. 63	318 6	239 0
South Australia(d)	10. 7. 61	283 0	212 0	22. 6. 64	303 0	227 0
Western Australia—						
Metropolitan Area	22. 4. 63	300 3	225 2	27. 4. 64	304 2	228 2
South-West Land Division	22. 4. 63	298 8	224 0	27. 4. 64	302 7	226 11
Goldfields and other areas	22. 4. 63	292 11	219 8	27. 4. 64	296 8	222 6
Tasmania(b)	July, 1961(c)	294 0	220 6	June, 1964(c)	314 0	235 6

(a) Where dates are not quoted, wage rates operate from the beginning of the first pay-period commencing in the month shown. (b) No basic wage declared. Rates shown are those adopted by most Wages Boards. (c) Wages Boards adopted the Commonwealth rate. (d) The "living wage" declared for the metropolitan area is also adopted for country areas, except at Whyalla and nearby areas, where a loading of 5s. a week for adult males is generally payable.

Tables showing State basic wage rates for a long period of years are contained in the Appendix to *Labour Report* No. 49, 1961.

§ 6. Wage Margins

1. **General.**—Wage margins have been defined as “ minimum amounts awarded above the basic wage to particular classifications of employees for the features attaching to their work which justify payments above the basic wage, whether those features are the skill or experience required for the performance of that work, its particularly laborious nature, or the disabilities attached to its performance ”.*

Marginal rates of wage are determined by Commonwealth and State industrial tribunals. In the Commonwealth jurisdiction, prior to 1954, the Commonwealth Court of Conciliation and Arbitration had not made any general determination in respect of wage margins, but general principles of marginal rate fixation had been enunciated by the Court in the Engineers Case of 1924, the Merchant Service Guild Case of 1942 and the Printing Trades Case of 1947. Major determinations affecting margins were made in 1954, 1959 and 1963. The decisions of the Commonwealth Court and later the Commonwealth Conciliation and Arbitration Commission have generally been followed by State industrial tribunals in the determination of margins in State awards.

A summary of the 1954, 1959 and 1963 Margins Cases is given in the following paragraphs.

2. **Metal Trades Case, 1954.**—Employee organizations parties to the Metal Trades Award, 1952, filed applications during 1953 for increased margins for all workers covered by this award. The applications came on for hearing before J. M. Galvin C.C., who decided that they raised matters of such importance that, in the public interest, they should be dealt with by the Commonwealth Court of Conciliation and Arbitration. On 16th September and 6th October, 1953, the Conciliation Commissioner, pursuant to section 14A of the *Conciliation and Arbitration Act*, referred these applications to the Court.

The actual claims of the trade unions were that the marginal rate of 52s. a week payable to a fitter in the metal trades should be increased to 80s. a week (86s. for certain electrical trades), with proportionate increases for other award occupations. The margins then current, with a few exceptions, had been in existence since 1947. The employees' claims were in the nature of a test case to determine the attitude of the Court to other applications for increased margins.

Employer organizations respondent to the Metal Trades Award counter-claimed that existing margins for skilled tradesmen should remain unaltered, while those paid to partly skilled or unskilled workers should be reduced.

The Court decided to take the Commissioner's two references together, and the matter came on for hearing before the Full Arbitration Court (Kelly C.J., Kirby, Dunphy and Morgan JJ.) in Melbourne on 13th October, 1953.

In a judgment delivered on 25th February, 1954, the Court held that a *prima facie* case had been made for a re-assessment of margins but that the economic situation at that time, particularly in regard to the level of costs, did not permit of such a comprehensive review. The Court decided that, to avoid the creation of new disputes, to save expense and to obviate procedural difficulties, it would not reject the claims but adjourn them until 9th November, 1954.

On 25th and 26th August, 1954, summonses were filed by the employees' organizations for orders that proceedings in this case be brought forward, and the hearing was resumed on 5th October, 1954.

In a judgment delivered on 5th November, 1954†, the Court made an order re-assessing the marginal structure in the Metal Trades Award by, in general, raising the current amount of the margin to two and a half times the amount of the margin that had been current in 1937. However, in cases in which the result of that calculation produced an amount less than the existing margin, the existing margin was to remain unaltered. In effect, this decision increased the margins of a fitter from 52s. a week to 75s. a week, increased similarly margins of other skilled occupations, and made no increase in margins of what may generally be described as the unskilled or only slightly skilled occupations under the Metal Trades Award.

At the end of its judgment, the Court stated that, while its decision in this case related immediately to one particular industry, it was expected to afford general guidance to all authorities operating under the *Conciliation and Arbitration Act*, or under other legislation

* *Commonwealth Arbitration Reports*, Vol. 80, p. 24.

† *Ibid.*, p. 3.

which provided for tribunals having power to make references, or being subject to appeal, to the Court, where the wage or salary may properly be regarded as containing a margin. The Court added observations for the guidance of these and of other tribunals " which may regard decisions of this Court as of persuasive authority ". Further details were published in *Labour Report* No. 46, 1958, pages 101-8.

3. *Margins Cases, 1959.*—On 25th August, 1959, the Commonwealth Conciliation and Arbitration Commission began considering a number of applications for changes in margins referred to it from the appropriate Commissioner. Applications had been made by various employee organizations for increased margins in Parts I. and II. of the Metal Trades Award, Part II. of the Aircraft Industry Award, the Bank Officials' Award and the Gold and Metalliferous Mining Award. An application by employers sought to reduce marginal rates in the Metal Trades Award. The Commission decided to hear all these matters together, permitting the applicant unions in respect of Part II. of the Metal Trades and Aircraft Industry Awards and the Bank Officials' Award to ask first for an interim increase. A summary of the principal decisions and reasons for judgment of the Commission is given in the following paragraphs. Further details, including extracts from the judgment, were published in *Official Year Book* No. 47, pages 455-9.

Metal Trades Award, Part I. The employee organizations claimed an increase in the margin for the fitter, as set out in the Metal Trades Award, 1952 (i.e. the award as it existed prior to the Metal Trades Case, 1954—see para. 2, page 489), from 52s. to 134s. a week and an increase of 157 per cent. in the margins for other classifications. The employers counter-claimed for a reduction in margins of 15s. a week.

The Attorney-General of the Commonwealth intervened, and not only submitted statistical material and an analysis of the economic situation, but also assisted the Commission with an exposition of various factors proper to be taken into account in the fixation of margins. In particular, the Commonwealth emphasized the desirability of flexibility in the workings of the arbitration system.

Counsel for the unions put broadly a case that in the proper fixation of margins the basic criteria were the market value at the time of the fixation of the wage and the economic capacity of the economy to pay the wages claimed, and he alleged that the 1954 Metal Trades decision had departed from these principles. He produced to the Commission material to demonstrate that the economic situation would justify the increases asked for. He also submitted that the true relativities in the Metal Trades Award should be those created by a combination of the 1947 Full Court decision and the second variation order made in 1947 by G. A. Mooney, C.C.*

The employers adopted the view that no case had been made out for any increase and that there should be wage reductions. They also supplied the Commission with economic material in support of their case that there was no capacity in the community to sustain increased margins, and alternatively that any increased economic capacity which may have occurred since 1954 had been exhausted by basic wage fixations. As to relativities, the employers submitted that the 1954 decision should be adhered to and should be carried to its logical conclusion in so far as the lower paid classifications were concerned.

In its judgment, delivered on 27th November, 1959, the Commission rejected the employers' application to reduce margins, and made an order re-assessing the marginal structure in the Metal Trades Award by increasing the existing margins by 28 per cent., the amount of the increase being taken to the nearest 6d. The new margins applied from the beginning of the first full pay-period commencing in December, 1959. The effect of this decision was to increase the margin of the fitter from 75s. to 96s. a week and that for the process worker from 22s. to 28s.

The Commission stated that, not having before it the question of work values, and having decided not to alter the 1954 relativities, the increases had been expressed as a percentage of current margins, but this was not to be taken as an endorsement of that method of fixing margins.

In discussing the principles of marginal fixation, the Commission stated that there was no real reason why a margin should be expressed as a percentage of the basic wage, and that it would be unwise to express any margin in that way. On the related question of whether margins should be increased merely because of the decreasing power of money since last fixed, the Commission's view was that, although the automatic or mathematical approach

* *Commonwealth Arbitration Reports*, Vol. 59, p. 1272.

† 92 C.A.R., p. 800.

should be rejected, some account must be taken, whenever a margin is under review, of the amount at which the margin was originally fixed and of any decrease in the purchasing power of money since the time of fixation.

On the question of economic capacity the Commission said that, prior to 1947, it had been the practice, in the metal trades industry at least, to consider the economic situation of the industry itself, but in 1954 the Court considered only the capacity of industry generally. However, the Commission pointed out that in many cases in the past, margins had been fixed without consideration of capacity, and it could see no reason why in appropriate circumstances that practice should not continue.

The submission by the employers that, even if there had been capacity to pay increased wages, that capacity had been exhausted by basic wage decisions in recent years, was rejected by the Commission.

The unions sought to have restored the relativities within the marginal structure of the Metal Trades Award which existed prior to the 1954 decision. The employers not only relied on the relativities created in 1937 and confirmed in 1954, except as to the lower paid classifications, but also asked the Commission to take the 1954 relativities to their logical conclusion in its decision in this matter as far as those classifications were concerned.

The Commission said that, in origin at least, relativities in margins were merely an expression of relative work values and there was no evidence of such values before the Commission. In the circumstances, the Commission was not prepared to accede either to the unions' submissions or to the employers' submission in this regard, and it accepted the relativities established by the 1954 decision except to the extent necessary to round some of the figures off. The question of relativities in margins in the Metal Trades Award, based on work value, thus remained open.

During the proceedings, the unions presented some evidence as to over-award payments in the industry. The Commission referred to the question whether it should pay regard to payments obtained by duress, and decided that the means by which over-award payments of sufficient duration were obtained was irrelevant when considering economic capacity. The mere fact that such amounts were being paid and had been paid over a considerable period was sufficient to demonstrate capacity.

The Commission could not arrive at any figure which could be said to be a reliable average over-award payment for any classification. The most it could say was that in the Metal Trades industry there were over-award payments of varying amounts in quite a number of establishments, and it had taken this factor, indefinite though it was, into account in arriving at its decision.

In reviewing the economic situation, the Commission considered the current position in the light of information which had become available since the 1959 Basic Wage Judgment. After considering various indicators of the state of the economy, the Commission discussed the problems of inflation and the maintenance of economic stability. The Commission said that it had looked at the increases which it proposed to grant in the light of the submissions about economic stability and it did not consider that such increases were so likely to affect that stability that the economy would be adversely affected. If marginal increases could not be granted in times of economic prosperity, it was difficult to imagine when they could be granted.

Summing up, the Commission stated:—" We have considered, with the qualifications already mentioned in this Judgment, the decrease in the purchasing power of money which has occurred since the 1954 marginal fixation, we have assessed as well as we are able to the increased capacity which has occurred in the Australian economy since that time and the fact that productivity has played its part in that increase of strength, and we have considered the Basic Wage decisions and appraisals of the economy by the Court and the Commission since 1954. In the result, we have thought it proper to increase margins in the Metal Trades industry in the particular circumstances which confront us by an amount which exceeds the loss in purchasing power of the 1954 margins, which excess we consider has been earned by the contribution of the employees to productivity increases and made possible by the additional strength of the national economy."*

The Commission went on to say:—" This decision is based on the material placed before us and our general industrial knowledge which, in view of our functions under the Act, we think it proper to use. Both that material and that knowledge relate to the Metal

* *Commonwealth Arbitration Reports*, Vol. 92, p. 793.

Trades industry and to the economy generally. Our decision, however, relates only to the Metal Trades Award. We realize that on occasions in the past, margins fixed in the Metal Trades Award, and in particular the margin of the fitter, have been used as standards for other awards. The use of the increases which we have granted as a guide in other disputes will be a matter for the parties as far as conciliation is concerned and, if arbitration is necessary, for this Commission however constituted."

Gold and Metalliferous Mining Award. Judgment was also delivered on 27th November, 1959, in connexion with the application for variation of margins in this award.* The margin for the miner was increased from 30s. to 42s. 6d. a week from the beginning of the first full pay-period commencing in December, 1959. Marginal claims for other classifications were referred back to the appropriate Commissioner for consideration. Subsequently, the parties to the award agreed that margins for all other classifications should be increased in the same proportion as the margin for the miner (i.e. 41.7 per cent.). The Commissioner varied the award accordingly.

Metal Trades Award, Part II., and Aircraft Industry Award, Part II. On 11th December, 1959, the Commission delivered a judgment granting a 20 per cent. interim increase in margins to graduate and diplomate engineers and scientists, payable as from the beginning of the first full pay-period commencing in December, 1959.

Bank Officials' Award. On 11th December, 1959, a 20 per cent. interim increase in margins was granted to officers in the 10th to 18th year of service inclusive and to accountants and managers, payable retrospectively as from 11th June, 1959. Interim increases were not awarded to more junior officers, nor to females. Subsequently the parties to the Bank Officials' Award met before a single Commissioner, and a consent award was made giving final marginal increases to adult males and adult females and making adjustments to junior rates of pay.

4. *Margins Case, 1963.*—Following the conclusion of the 1963 Basic Wage Case, two benches of the Commonwealth Conciliation and Arbitration Commission commenced, on 5th February, 1963, to hear applications by metal trades unions for increased margins and for three weeks annual leave (see pp. 496–7). The two benches sat jointly for the convenience of the parties involved and were constituted as follows:—margins case—Kirby C.J. (President), Moore and Ashburner J.J. and Commissioner Apsey; three weeks' annual leave case—Kirby C.J. (President), Moore J. (Deputy President) and Commissioner Apsey. In their application, the claimant unions were supported by the Australian Workers Union, the High Council of Commonwealth Public Service Organizations, the Australian Council of Salaried and Professional Associations and certain affiliated organizations. The claim was opposed by the respondent employers, who were supported in their opposition by the banks, respondents to the Bank Officials Award, and by members of the Australian Wool Growers and Graziers Council.

The Unions' claim on margins was that the Commission restore, on an assessed basic wage, the relativities within the Metal Trades Award established in 1947 by what is known as the second Mooney formula. Taking £15 7s. as the assessed basic wage (calculated as the 1947 basic wage adjusted to price changes since 1947) and applying the percentage 48.6, which the fitter's margin was of the 1947 basic wage, the union arrived at a new marginal rate of £7 9s. for a fitter, an increase of £2 13s. on the current margin. This claim of £7 9s. was 2.86 times the 1947 fitter's margin, and hence the unions sought to have all 1947 margins multiplied by 2.86. This claim was opposed by the employers who asked that any consideration of marginal increases be deferred for an unspecified time.

The Commonwealth Government intervened in the public interest and made submissions as to the approach to be adopted to marginal fixation generally, and to marginal fixation in the metal trades industry, as well as supplying information to the Commission about the economic situation and the Government's assessment of it. The Commonwealth Government neither opposed nor supported the claim. The State of South Australia neither opposed nor supported the claim for marginal increases, but did oppose any change in present relativities. The State of Queensland neither opposed nor supported the application for increases in margins, but submitted certain information regarding possible effects in Queensland. The Commission declined to allow submissions aimed at showing what might happen in State awards if State industrial tribunals followed their past practices with respect to the Commission's decisions.

The unions' case in outline comprised—firstly, a critical analysis of major decisions of the Court and of the Commission extending back to the Harvester decision of 1907; secondly, a demonstration from those decisions of the basic criteria used in the fixation of margins, in

* *Commonwealth Arbitration Reports*, Vol. 92, p. 796.

particular the market value of the work of the various classifications at the time of fixation and the inter-related consideration of economic capacity; thirdly, evidence to demonstrate what is the current market value; and, finally, material concerning economic capacity to pay the rates being claimed.

Referring to past decisions and the problem of marginal fixation, the Commission stated that "the assessment of particular margins at particular times must be an act of judgment by the person or persons making the assessment in the light of current knowledge and practice both of which are themselves susceptible of change We hold the view that whatever may have been the practice in the past there is no reason why any margin should, after a period of time, necessarily be restored to any earlier relativity which it may have had with any earlier basic wage Margins are awarded for skill and other factors which are not included in the assessment of the basic wage. The value from time to time of skill and other factors relevant only to margins may change independently of changes in the basic wage. We are not prepared to assume that because in 1947 the fitter's margin represented 48.6 per cent. of the basic wage that it should now represent the same percentage of the current basic wage." The Commission emphasised the need to have before it all information essential for a complete assessment of margins, some of which must relate to the work actually being done, and pointed out that margins in the Metal Trades Award cannot be properly assessed either absolutely or relatively until the Commission in one form or another has before it an application which will enable it to deal with all aspects of marginal fixation.

In absence of any evidence or material on work value, the Commission said they accepted the margins then current in the metal trades award as a starting point. Since last fixing margins in 1959, the Consumer Price Index had risen 6.05 per cent. and the Commission stated that they were prepared to assume that this showed a movement in purchasing power of money with sufficient accuracy to enable this to be taken into account in fixing margins, and believing that a compensating increase is within capacity they considered it would be inequitable not to award it. But as this would only restore margins to the real value of the 1959 margins, it was necessary to consider whether there was any ground for an increase in real margins. To do this, and in the absence of any material related to the work itself, the Commission said it could only consider the question of economic capacity in the metal trades and in industry generally.

The Commission repeated what had been said in the 1961 Basic Wage Case, namely, that productivity figures could be used only to demonstrate a trend and that productivity can only be approximately measured. The unions put forward the view that both past and future increases in productivity should be noted, whilst the employers said that the proper approach was to ignore the past except to the extent to which it indicated the future, and to adjust wages in a ratio slightly less than any expected future increase in productivity. The employers argued that if overall the level of wages increases at a faster rate than the increase in national productivity then there will be an increase in prices or a shift in income to the wages sector. The Commission made the following observations on this proposition—firstly, that productivity can only be imperfectly calculated and that such productivity figures as are now available can only be properly used to demonstrate a trend; secondly, that the case for marginal increase relates to the metal trades industry only; thirdly, that, if current margins are inadequate, it should be a matter of equity to award margins which are adequate even if such increase raises wages by a percentage greater than the estimated immediate future increase in national productivity; and, finally, that it was an oversimplification to relate the movement in prices to general economic considerations only. The Commission then considered figures from 1949–50 of the movement in national productivity based on gross national product per person employed at 1952–53 prices, and pointed out that, since the 1959 assessment of margins to 1961–62, national productivity measured in this way had increased by 5.1 per cent.

On economic capacity the Commission came to the conclusion that after a period of slowing down, the economy had recovered some of its impetus and that this recovery was likely to continue in the immediate future at a somewhat higher rate than that of the past year. After considering material related to the metal trades industry, namely, over-award payments, average hours of overtime and average weekly hours for adult males, and keeping in mind that employers did not suggest that the economic capacity of the metal trades industry was less than industry generally or that increases in productivity in that industry had been or would be less than increases in national productivity, the Commission was prepared to assume in the unions' favour that by and large the economic capacity of the metal trades industry was certainly not less than, and probably more than, that of industry generally.

Summing up, the Commission said: "In our judgment of national economic capacity, including productivity, the likely future trends in that capacity and the relationship between the capacity of the Metal Trades industry and national capacity we consider that we should as a matter of equity increase the real value of margins under this award. Having regard to this decision and the decreased purchasing power of money since the last assessment we consider that it would be fair to increase margins under this award by ten per cent. We have reached this conclusion in the knowledge that today employees under this award have been awarded an extra week's annual leave. We emphasise again that no information about work values has been placed before us which would enable us to make a more accurate and from our point of view a more satisfactory assessment."

The Commission then considered in detail the capacity of the economy as shown by the following economic indicators:—rural industry, balance of payments, competitive position of secondary industries, investment, employment, company income, money and banking and retail trade, and general. Under company income, the Commission dealt with a submission of the employers that because wages had gone up as a result of the 1961 Basic Wage decision in a period of comparatively low activity in the economy and because the price level had not risen as a result of that decision, there had been a movement in income from the company sector to the wage sector. Any further increase in wages, the employers submitted, would be likely to cause a further drift in company income, followed by a further dampening down of investment and a consequent deleterious effect on activity in the economy and a worsening of the economic position of wage earners. The Commission referred to figures of gross national product, company income and wages and salaries which indicated that movements in company income were not directly related to movements in wages and salaries, but stated that the fact that company incomes had been lower in the past two years indicated the necessity for caution in awarding marginal increases.

The Commission concluded its consideration of the indicators with these words " . . . our own investigation of the economy (is) that both from a long term point of view and also from a short term point of view the prospects for the economy may be reasonably regarded with optimism. On a consideration of the whole of the indicators, we conclude that national capacity has increased and that it is likely to continue to increase in the foreseeable future. In these circumstances we are confident that the economy is able to sustain the increase of ten per cent. in margins in this award which we consider is otherwise justified."

At the request of the parties the Commission took the unusual course of making a pronouncement early in the proceedings as to the extent to which the decision in the metal trades case should be used in other industries. The Commission re-affirmed what was said in the 1959 metal trades judgment that the decision would relate to the Metal Trades Award only, although they realized that the margin of the fitter had been used as a standard for other awards. In the present case the Commission stated it was not intended that the decision should be applied automatically outside the metal trades.

The order of the Commission was that the margins for adult males in the Metal Trades Award be increased by ten per cent., the increase to be calculated to the nearest shilling and to operate from the beginning of the first pay period to commence on and after 22nd April, 1963.

§ 7. Leave

1. **Annual Leave.**—In the judgment given by the Commonwealth Court of Conciliation and Arbitration in the Commercial Printing Case of 1936, *Dethridge C.J.*, in granting one week's annual leave with full pay to employees in the industry, said:—"This Court has frequently been asked to award annual leave on full pay but has hitherto not done so except in cases where employees have to work on Sunday, or suffer some other deprivation by reason of isolation or other cause, or in cases where such leave has become the custom generally by the practice of most of the parties concerned."* This judgment has usually been regarded as the first statement of the principles involved in deciding whether or not annual leave should be awarded.

In 1940, *Beeby C.J.*, awarded annual leave of one week to the manufacturing section of the metal trades industry, and in the same year *O'Mara J.* extended leave throughout the industry, with the exception of that section engaged in the servicing of motor vehicles.

* *Commonwealth Arbitration Reports*, Vol. 36, p. 738.

Annual leave in the Commonwealth jurisdiction was introduced over a period of time, industry by industry, if the Judge responsible for the industry considered it proper.

The question of annual leave was again before the Court in 1945.* In that case applications had been made seeking variations of awards to prescribe an extension of annual leave from a period of seven days to fourteen days. The Court in its judgment set out what it considered to be the principles to be applied in all applications for an extension of the annual leave period to fourteen days. The question of altering any particular award to prescribe for two weeks' annual leave was left to the discretion of the single Judge who heard the application.

Further inquiries into annual leave were conducted by the Commonwealth Conciliation and Arbitration Commission in 1960, 1962 and 1963. A summary of the 1960, 1962 and 1963 inquiries is given in paras. 2, 3 and 4 following.

Employees in New South Wales in private industry, other than those covered by Federal awards, were granted three weeks' annual leave by an amendment to the Annual Holidays Act, passed in 1958. Generally, employees of government authorities (Commonwealth, State, local and semi-governmental), with the exception of State and local government employees in Western Australia, are entitled to three weeks' annual leave, as are also many salaried employees and wage earners in certain industries. In February, 1964, the New South Wales Government indicated that it would grant four weeks' annual leave to its employees.

2. Three Weeks' Annual Leave Inquiry, 1960.—Unions respondent to the Metal Trades Award applied to the Commonwealth Conciliation and Arbitration Commission on 18th July, 1960, to vary the Award to provide three weeks' paid annual leave instead of two weeks.

The application was opposed by employers, the State of Victoria and the Electricity Trust of South Australia. The State of Tasmania supported the application. The Commonwealth Government and the State of Queensland neither supported nor opposed the application, although the Commonwealth tendered statistical and economic information for the benefit of the Commission and the parties.

In its judgment of the 14th December, 1960, the Commission summarized the submissions made by the unions and the employers, and stated that the two economic factors considered most important were the export-import position and the state of employment. The Commission stated that it had decided to reject the application, but emphasized that its decision was not intended to apply to a situation where, for special reasons related to a particular industry, it may consider an amount of annual leave greater than two weeks to be justified.

At the conclusion of its judgment the Commission made the following statement. "We accordingly dismiss this application because of the present economic situation. In doing so we would again repeat what we have said earlier in this judgment that we do not consider that employees under Federal awards have yet achieved all the leisure which they should achieve. We have done no more than decide that the present is not an appropriate time in which to award an extra week's paid leave."†

For further particulars see Official Year Book No. 49, pp. 511-513.

3. Three Weeks' Annual Leave Inquiry, 1962.—On 10th April, 1962, the Commonwealth Conciliation and Arbitration Commission, constituted by Kirby C.J. (President), Moore J. (Deputy President) and D. G. Apsey (Commissioner) commenced hearing an application by unions respondent to the Metal Trades Award for variation of the award to provide three weeks' paid annual leave instead of two weeks.

Although the application was made in respect of the Metal Trades Award only, counsel for the unions made it clear that they wished the claim to be regarded as a test case which, if granted, would involve the inclusion in federal awards generally of the basic standard of three weeks' annual leave. The application was opposed by employers, the State of Victoria and the Electricity Trust of South Australia. New South Wales and Tasmania supported the application. The Commonwealth Government and the State of Queensland neither supported nor opposed the application, although the Commonwealth intervened in the public interest and made submissions on the state of the economy, as well as providing economic and statistical information for the benefit of the Commission and the parties.

* 55 C.A.R., p. 595.

† Commonwealth Arbitration Reports, Vol. 96, p. 217.

The hearing was concluded on 2nd May, 1962, and on 30th May the Commission made the following announcement.

" We have given careful consideration to the submissions which have been made to us in this case. The applicant unions have asked that we consider the claim a general one, the result to be applied to Federal awards generally. This must result in greater caution on our part in deciding whether or not the application should succeed. Our present intention is that an increase to three weeks' annual leave generally in secondary industry, subject to special cases, should be granted as soon as we are satisfied that the economy is in a position to cope with the effects of such an increase. However, there are two aspects of the economic arguments about which we are troubled and about which we consider it too early to make any firm decision. These are, firstly, whether our internal economy has sufficiently recovered from the recession of late 1961 and, if so, what is the likely rate of its recovery in the future and, secondly, the effect on Australia of success or failure of the application of the United Kingdom to enter the European Common Market. There have been developments in relation to the latter question since the hearing which both emphasise its importance and the lack of accurate information as to what is going to happen and the short and long term effect on Australia's economy.

So that we may be able better to assess these matters we have decided to adjourn these proceedings until a date in February or March next which will be announced later when the parties and interveners will be able to make such further submissions on these two matters as they may desire."

A brief summary of the case is given in the following paragraphs.

Counsel for the unions submitted that about half of the Australian work force was already entitled to three weeks' leave or more, and that the Commission was being asked to settle a genuine industrial dispute arising from the disparity between the leave granted to different sections of the work force. He referred to the judgment in the 1960 Annual Leave Inquiry, in which the Commission had stated that its decision to refuse the application had been influenced by the export-import position and the state of employment, and submitted that there had been sufficient improvement in these two factors to justify the granting of the application, particularly as the Commission had in the 1960 case conceded that two weeks should not be regarded as the ultimate in paid annual leave.

Counsel then submitted evidence to show that three weeks' annual leave, which had been granted by legislation in New South Wales in 1958, had not had any adverse effects on the economy of that State. Also, in the 17 years since 1945, when annual leave was extended to two weeks, the national economy had developed in a way which would permit the granting of an extra week's leave with much more safety than had been possible in 1945, at the end of the war.

Counsel for the employers, in opposing the application, said that since the previous rejection of the unions' claim in 1960, Australia had undergone a major recession. No new arguments had been advanced by the unions in support of their claim and it should therefore again be rejected. Counsel submitted that even on the grounds of social justice the claim should be rejected because Australian workers enjoyed shorter annual hours of work than those of any other country in the world. In addition, an examination of the relation of average weekly earnings to productivity showed that they had already received the fruits of all productivity increases.

The balance of payments situation, though improved, had been achieved only through drastic government action and in fact looked satisfactory only in comparison with that of the previous year. As to employment, there was still a shortage of skilled labour, which would be aggravated by the granting of increased leave.

He submitted that the claim should not be treated as a test case, because it was being argued not only on general economic issues but also in relation to specific problems in the metal trades. No party to any other award should be inhibited in any way from arguing the particular circumstances of other industries.

4. Three Weeks Annual Leave Inquiry, 1963.—On 5th February, 1963, the Commonwealth Conciliation and Arbitration Commission, constituted by Kirby C.J. (President), Moore J. (Deputy President) and Commissioner Apsey, commenced hearing an application, which had been adjourned from May, 1962, to vary the Metal Trades Award, to provide three weeks' paid annual leave, instead of two (*see* paragraph 3 above).

The hearing was continued during March and April, 1963, jointly with the Metal Trades Margins case hearing (see pp. 492-4), and in its judgment on 18th April, 1963, the Commission referred to the announcement it had made on 30th May, 1962, as to the Commission's intention to grant a period of three weeks' annual leave, when it was satisfied that the economy was in a position to cope with the effects of such an increase. "In our view the Australian economy has recovered sufficiently from the recession of 1961 and its likely rate of recovery in the future is such as to enable us to grant three weeks' annual leave. The second aspect of the economic arguments about which we were troubled has for the purposes of this decision been changed in a manner in which the problem has become no longer relevant. Therefore we see no reason why we should not implement our express intention of May last year to increase annual leave to three weeks generally in secondary industry, subject to special cases."

The Commission then announced that the Metal Trades Award would be varied to produce the following result. "A period of 21 consecutive days' leave shall be allowed to employees who have completed twelve months continuous service by or after 30th November, 1963."

Provision for proportionate leave for periods of employment of one month and over was made in respect of employment after 1st June, 1963.

It was stated that the application of the new standard of annual leave for secondary industry in other Federal awards would be a matter for individual Commissioners upon proper application being made for variation.

In a decision given on 22nd October, 1963, the Commission, comprising Wright J. (Acting President), Moore J. (Deputy President) and Commissioner Winter, unanimously rejected an application by the Metal Trades Employers Association and other employers' organizations firstly for permission, at the employers' discretion, to require employees to take their annual leave in two periods of seven and fourteen days respectively, and secondly that the time after accrual, within which leave must be taken, should be extended to nine months when leave is taken in one period and twelve months when leave is taken in more than one period. The Commission considered that there might be individual cases where some relief would be desirable in the first Christmas period after the increase became effective and accordingly they favoured the insertion of a provision in the Metal Trades Award which would enable an employer "in order to maintain the efficient working of his undertaking or his service to the public, to seek from the union or unions concerned, an agreement to split annual leave of the employees in his establishment or part of it either by two close-downs or by rostering or by a combination of one close-down and rostering". In instances where agreement could not be reached, an employer would have the right to seek permission to split the leave from a Board of Reference.

This order was to operate for a period of six months and no longer, as it might be desirable to reconsider the matter after the ensuing Christmas-New Year period when it would be possible to see how the new standard of annual leave had affected industry.

On the material before it, the Commission was not prepared to alter the period in which leave must be taken, but this might be re-considered when the case was resumed on a date to be fixed in May, 1964.

5. *Long Service Leave.*—(i) *General.* Paid long service leave, i.e. leave granted to workers who remain with the one employer over an extended period of time, has been included in the provisions of industrial legislation in the several States. A brief summary is given in the following paragraphs. In all cases the transfer of ownership of a business does not constitute a break in continuity of service with the same employer.

(ii) *New South Wales.* Long service leave was first introduced for the majority of workers by the *Industrial Arbitration Act, 1951*, which provided such leave for workers under State awards. This Act was replaced by the *Long Service Leave Act, 1955*, which extended the benefits to any worker within the State. An amendment to the Act in 1963 provided for three months' long service leave for fifteen years' continuous service with the same employer and proportionate amounts on this basis after a minimum of five years' service.

(iii) *Victoria.* The *Factories and Shops (Long Service Leave) Act 1953* first provided for long service leave for workers in Victoria, the provisions of this Act being subsequently incorporated in the *Labour and Industry Act*. Leave provided for is thirteen weeks for twenty years' continuous service with the same employer. Contributions by employers to retirement schemes can be taken into consideration in dealing with exemptions from the Act.

(iv) *Queensland.* In 1952, the *Industrial Conciliation and Arbitration Act* was amended to include long service leave provisions for employees within the jurisdiction of the Industrial Court, and the Act was amended again in 1955 to extend these provisions to any employee in respect of whose employment there was not in force an award or industrial agreement under the Act and to seasonal workers in sugar mills and meat works. Leave provided for is thirteen weeks for twenty years' continuous service with the same employer.

(v) *South Australia.* The *Long Service Leave Act*, passed in 1957, exempts a large number of industrial agreements, with wide industrial coverage, from specifying long service leave for employees. For those covered by the Act, leave provided for is seven days in the eighth and in each subsequent year of continuous service. Contributions by employers to retirement schemes can be taken into consideration in dealing with exemptions under the Act.

(vi) *Western Australia.* The *Long Service Leave Act* was passed in 1958, but it does not apply to employees whose conditions of work are regulated under the *Western Australian Industrial Arbitration Act*. The Court of Arbitration of Western Australia, in an order dated 1st April, 1958, incorporated, in most of the awards and agreements within its jurisdiction, provisions similar to those in the *Long Service Leave Act*. Leave provided for is thirteen weeks for twenty years' continuous service with the same employer. Contributions by employers to retirement schemes can be taken into consideration in dealing with exemptions from the Act.

A general inquiry into long service leave, public holidays, annual leave and hours was held by the Court in 1961. In its judgment, delivered on 5th May, 1961,* the Court rejected the major claims by the parties relating to long service leave. However, it deleted a sub-clause of the 1958 Order which entitled an employer to offset any payment in respect of long service leave under the Order against any payment by him to any long service leave scheme, superannuation scheme, pension scheme, retiring allowance scheme, provident fund or the like or under any combination thereof.

(vii) *Tasmania.* The *Long Service Leave Act*, which was passed in 1956, provides for thirteen weeks leave for twenty years' continuous service with the same employer. Contributions by employers to retirement schemes can be taken into consideration in dealing with exemptions from the Act.

(viii) *Commonwealth.* Until May, 1964, the Commonwealth Conciliation and Arbitration Commission had not included provision for long service leave in its awards, and had refrained from determining disputes relating to this subject except in the case of the Northern Territory and the Australian Capital Territory (see p. 499). Consequently, till then, the provisions of the various State Acts relating to long service leave applied to workers covered by awards of the Commonwealth. The applicability of long service leave provisions under State law to workers under Commonwealth awards had been tested before the High Court and the Privy Council, and such provisions had been held to be valid.

The Commission's position was set out in its decision, issued on 16th September, 1959, regarding disputes on the inclusion, in the Graphic Arts (Interim) Award, 1957, of provisions for long service leave. It stated that it should refrain, until further order, from determining the disputes so far as they concerned long service leave and that if, in future, the Commission decided that long service leave on a national basis was desirable, it was open to proceed to the making of an award on the matter.

Following the hearing of claims for long service leave provisions by employers in the graphic arts and metal trades industries in August, 1963, the Full Bench of the Commonwealth Conciliation and Arbitration Commission, on 11th May, 1964, announced its decision that long service leave entitlement would be calculated on the basis of thirteen weeks for 20 years of unbroken employment, in respect of employment before 11th May, 1964 (or, in New South Wales, 1st April, 1963), and at the rate of thirteen weeks for 15 years in respect of service after 11th May, 1964 (or, in New South Wales, 1st April, 1963). After further periods of 10 years, employees would be entitled to an additional pro-rata period of leave calculated on the same basis. Those employees who completed an unbroken contract of employment of 10 years but less than 15 years, and whose employment was terminated by death or by the employer for any cause other than serious and wilful misconduct, or by the employee on account of illness, incapacity or domestic or other pressing necessity, would be entitled to pro-rata payment.

* *Western Australia Industrial Gazette*, Vol. 41, p. 355.

Long service leave codes for employees in the Northern Territory and the Australian Capital Territory were prescribed on 4th December, 1961, by the Commonwealth Conciliation and Arbitration Commission in Presidential Session. The unions submitted that the Commission should refrain from exercising its jurisdiction and emphasized that it was the considered policy of the trade union movement "that long service leave should come from legislative action and not from prescription by industrial authorities." However, the Commission rejected the submission and awarded leave in each case in terms of the employers' applications, which were, in general, that employees should be granted three months' long service leave after 20 years service with one employer, even if part of this service was outside the Territory. In addition, the Australian Capital Territory code prescribed that employees presently employed might "go back for a period of 25 years in regard to the calculation of their present or future entitlement of long service leave."

The *Stevedoring Industry Act* 1961, which came into operation on 6th June, 1961, included provisions granting long service leave to persons who had been continuously registered as waterside workers under Commonwealth stevedoring legislation. Leave provided for is thirteen weeks after the completion of twenty years' qualifying service, and six and a half weeks for each subsequent ten years' qualifying service. An amendment to the Act in November, 1962, extended the eligibility and qualifying periods of the long service leave provisions of the Act.

INDUSTRIAL DISPUTES

1. **General.**—Detailed information regarding industrial disputes involving stoppage of work is given in the *Labour Report*. A table showing statistics of industrial disputes for each year from 1913 is contained in the Appendix to *Labour Report* No. 49, 1961.

Particulars of all disputes in progress during the year are included in the annual figures, whether the dispute commenced in that year or was in progress at the beginning of the year. Consequently, details of "the number of disputes" and "workers involved" in disputes which commenced in any year, and were still in progress during the following year, are included in the figures for both years.

2. **Industry Groups.**—The following table gives, for Australia as a whole, particulars of industrial disputes which were in progress during 1963, classified according to industry groups.

INDUSTRIAL DISPUTES(a): INDUSTRY GROUPS, AUSTRALIA, 1963

Industry group	Number	Workers involved			Working days lost	Estimated loss in wages (£'000)
		Directly	In-directly (b)	Total		
Agriculture, grazing, etc.	1	33	76	109	400	1.7
Coal mining	222	28,855	204	29,059	45,914	209.4
Other mining and quarrying	9	4,227	286	4,513	4,807	21.2
Engineering, metals, vehicles, etc. ..	290	94,221	3,142	97,363	153,072	643.0
Textiles, clothing and footwear	4	989	..	989	5,119	12.7
Food, drink and tobacco	108	38,786	7,834	46,120	78,155	321.4
Sawmilling, furniture, etc. .. .. .	..	2,494	..	2,494	1,513	5.3
Paper, printing, etc.	8	3,454	..	3,454	3,949	16.2
Other manufacturing	79	34,237	1,984	36,221	101,697	454.8
Building and construction	146	23,297	512	23,809	52,915	248.6
Railway and tramway services	22	22,013	76	22,089	12,666	50.4
Road and air transport	25	15,342	..	15,342	12,621	50.1
Shipping	2	497	..	497	336	1.3
Stevedoring	312	118,438	..	118,438	95,050	415.2
Amusement, hotels, personal service, etc. ..	5	631	..	631	695	2.9
Other industries(c)	17	11,553	27	11,580	12,659	41.5
Total	1,250	398,567	14,141	412,708	581,568	2,495.7

(a) Refers only to disputes involving a stoppage of work of 10 man-days or more. (b) Persons thrown out of work at the establishments where the stoppages occurred but not themselves parties to the dispute. (c) Includes Communication; Finance and Property; Wholesale and Retail Trade; Public Authority (n.e.i.); and Community and Business Services.

A graph showing, for the years 1951 to 1963, the working days lost as a result of industrial disputes in the main industry groups is shown on page 453.

3. States and Territories.—The following table gives particulars of the number of industrial disputes in each State and Territory, together with the number of workers involved and the losses in working days and wages caused by disputes which were current during each of the years 1959 to 1963.

INDUSTRIAL DISPUTES(a): STATES AND TERRITORIES

State or Territory	Year	Number	Workers involved			Working days lost	Estimated loss in wages (£'000)
			Directly	Indirectly (b)	Total		
New South Wales	1959	547	123,558	2,493	126,051	211,352	819.6
	1960	736	289,266	7,646	296,912	416,762	1,731.9
	1961	529	131,661	5,295	136,956	318,629	1,316.0
	1962	752	195,344	13,623	208,967	303,400	1,285.9
	1963	817	214,643	4,333	218,976	307,440	1,314.7
Victoria	1959	60	31,134	1,107	32,241	35,890	131.4
	1960	98	86,002	2	86,004	102,805	397.1
	1961	91	51,447	1,300	52,747	72,471	304.8
	1962	166	72,525	720	73,245	100,606	418.6
	1963	180	85,757	2,221	87,978	172,963	755.0
Queensland	1959	175	50,883	3,996	54,879	90,777	330.7
	1960	173	155,073	3,566	158,639	153,061	594.7
	1961	123	73,442	4,798	78,240	168,958	914.6
	1962	175	33,445	8,321	41,766	75,951	299.4
	1963	160	37,047	7,266	44,313	54,861	234.0
South Australia	1959	21	5,437	..	5,437	7,487	24.9
	1960	42	25,735	12	25,747	16,568	61.8
	1961	26	17,012	321	17,333	17,256	66.8
	1962	31	11,748	100	11,848	14,599	59.4
	1963	35	11,938	107	12,045	8,957	41.0
Western Australia	1959	20	10,864	383	11,247	11,243	39.6
	1960	43	25,684	..	25,684	27,342	106.6
	1961	22	9,588	99	9,687	23,233	94.5
	1962	28	8,280	83	8,363	6,300	25.0
	1963	28	42,390	194	42,584	31,969	126.2
Tasmania	1959	34	6,348	..	6,348	6,593	24.4
	1960	40	9,142	..	9,142	6,991	27.6
	1961	14	4,645	16	4,661	4,622	19.1
	1962	18	5,048	78	5,126	3,993	17.5
	1963	11	5,019	..	5,019	2,933	13.5
Northern Territory	1959	9	1,007	11	1,018	966	3.5
	1960	9	942	..	942	1,226	5.3
	1961	4	456	..	456	709	4.0
	1962	6	428	..	428	298	1.3
	1963	8	915	..	915	968	4.7
Australian Capital Territory	1959	3	238	12	250	731	3.1
	1960	4	209	..	209	352	1.8
	1961	6	275	2	277	933	4.0
	1962	7	4,005	105	4,110	3,608	15.0
	1963	11	858	20	878	1,477	6.6
Australia	1959	869	229,469	8,002	237,471	365,039	1,377.2
	1960	1,145	592,053	11,226	603,279	725,107	2,926.8
	1961	815	288,526	11,831	300,357	606,811	2,723.8
	1962	1,183	330,823	23,030	353,853	508,755	2,122.1
	1963	1,250	398,567	14,141	412,708	581,568	2,495.7

(a) Refers only to disputes involving a stoppage of work of 10 man-days or more. (b) Persons thrown out of work at the establishments where the stoppages occurred but not themselves parties to the dispute.

4. Duration.—(i) *General*. The duration of each industrial dispute involving a loss of work, i.e. the time between the cessation and resumption of work, has been calculated in working days, exclusive of Saturdays, Sundays and holidays, except where the establishment involved carries on a continuous process (e.g. metal smelting and cement manufacture).

(ii) *Industry Groups, 1963*. The following table shows, for the year 1963, industrial disputes in coal mining, stevedoring and other industries classified according to duration.

DURATION OF INDUSTRIAL DISPUTES(a): AUSTRALIA, 1963

Duration (working days)	Number	Workers involved(b)		Working days lost		Estimated loss in wages (£'000)
		Number	Proportion of total (per cent.)	Number	Proportion of total (per cent.)	
COAL MINING						
1 day and less	151	19,485	67.1	9,926	21.6	43.9
2 days and more than 1 day ..	33	3,086	10.6	5,288	11.5	22.8
3 days and more than 2 days ..	11	3,856	13.3	9,173	20.0	39.8
Over 3 days and less than 5 days	10	995	3.4	3,897	8.5	18.1
5 days and less than 10 days ..	11	1,100	3.8	8,179	17.8	36.9
10 days and less than 20 days ..	3	385	1.3	4,911	10.7	21.9
20 days and less than 40 days ..	2	148	0.5	4,340	9.5	25.3
40 days and over	1	4	..	200	0.4	0.7
Total	222	29,059	100.0	45,914	100.0	209.4
STEVEDORING						
1 day and less	205	105,538	89.1	59,667	62.8	262.0
2 days and more than 1 day ..	81	8,849	7.5	13,231	13.9	57.7
3 days and more than 2 days ..	23	1,313	1.1	3,211	3.4	15.0
Over 3 days and less than 5 days	2	38	..	153	0.2	0.7
5 days and less than 10 days ..	1	2,700	2.3	18,788	19.7	79.8
10 days and less than 20 days ..	..	..	..	..	..	..
20 days and less than 40 days ..	..	..	..	..	..	..
40 days and over .. .. .	..	..	..	..	..	..
Total	312	118,438	100.0	95,050	100.0	415.2
OTHER INDUSTRIES						
1 day and less	333	169,410	63.9	103,209	23.4	405.9
2 days and more than 1 day ..	150	44,358	16.7	69,243	15.7	295.6
3 days and more than 2 days ..	84	22,661	8.5	58,707	13.3	249.8
Over 3 days and less than 5 days	53	9,780	3.7	38,793	8.8	170.5
5 days and less than 10 days ..	64	12,865	4.9	90,004	20.5	383.5
10 days and less than 20 days ..	29	5,778	2.2	70,004	15.9	317.9
20 days and less than 40 days ..	3	359	0.1	10,644	2.4	47.9
40 days and over .. .. .	..	..	..	..	..	..
Total	716	265,211	100.0	440,604	100.0	1,871.1
ALL INDUSTRIES						
1 day and less	689	294,433	71.4	172,802	29.7	711.8
2 days and more than 1 day ..	264	56,293	13.6	87,762	15.1	376.1
3 days and more than 2 days ..	118	27,830	6.8	71,091	12.2	304.6
Over 3 days and less than 5 days	65	10,813	2.6	42,843	7.4	189.3
5 days and less than 10 days ..	76	16,665	4.0	116,971	20.1	500.2
10 days and less than 20 days ..	32	6,163	1.5	74,915	12.9	339.8
20 days and less than 40 days ..	5	507	0.1	14,984	2.6	73.2
40 days and over	1	4	..	200	..	0.7
Grand Total	1,250	412,708	100.0	581,568	100.0	2,495.7

(a) Refers only to disputes involving a stoppage of work of 10 man-days or more. (b) includes workers indirectly involved. See footnote (b) to table on page 500.

5. Causes.—(i) *General*. In issues of the Year Book prior to No. 40, the causes of industrial disputes were classified in some detail for all industries combined. As from 1950, however, stoppages have been analysed in three separate groups, "Coal Mining", "Stevedoring" and "Other Industries".

Causes have been grouped under four main headings:—(1) Wages, Hours and Leave; (2) Physical Working Conditions and Managerial Policy; (3) Trade Unionism; (4) Other Causes. The first group is restricted to disputes involving general principles relating to wages, hours and leave; minor questions regarding the claims to pay or leave by individual employees are included under managerial policy. The second group comprises disputes regarding physical working conditions and general questions of managerial policy, which term covers disciplinary action, the promotion of employees, the employment of particular individuals, personal disagreements between employees and supervisory staff and disputes arising from the computation of wages, leave, etc., in individual cases. The third group includes stoppages over employment of non-unionists, inter-union and intra-union disputes, disputes over recognition of union activities, and sympathy stoppages in support of employees

in another industry. The last group comprises disputes by way of protest against situations not arising from the usual relationship of employer and employee, e.g. political matters, and cases (occurring mainly in the coal mining industry) where the cause of the stoppage is not officially made known to the management.

(ii) *Industry Groups.* The following table shows particulars of industrial disputes for 1963 classified according to cause in three industry groups.

CAUSES OF INDUSTRIAL DISPUTES(a): AUSTRALIA, 1963

Cause of dispute	Coal mining	Stevedoring	Other industries	All industries
NUMBER OF DISPUTES				
Wages, hours and leave	9	37	233	279
Physical working conditions and managerial policy ..	116	246	386	748
Trade unionism	31	12	72	115
Other	66	17	25	108
<i>Total</i>	<i>222</i>	<i>312</i>	<i>716</i>	<i>1,250</i>
WORKERS INVOLVED(b)				
Wages, hours and leave	774	48,111	122,666	171,551
Physical working conditions and managerial policy ..	15,551	40,311	87,536	143,998
Trade unionism	4,966	4,950	12,335	22,251
Other	8,168	25,066	42,674	75,908
<i>Total</i>	<i>29,059</i>	<i>118,438</i>	<i>265,211</i>	<i>412,708</i>
WORKING DAYS LOST				
Wages, hours and leave	3,198	36,084	235,519	274,901
Physical working conditions and managerial policy ..	32,366	42,729	158,407	233,502
Trade unionism	5,118	2,659	15,491	23,268
Other	5,232	13,578	31,087	49,897
<i>Total</i>	<i>45,914</i>	<i>95,050</i>	<i>440,604</i>	<i>581,568</i>

(a) Refers only to disputes involving a stoppage of work of 10 man-days or more. (b) Includes workers indirectly involved. See note (b) to table on p. 500.

(iii) *Summary, 1959 to 1963.* The following table gives particulars of industrial disputes according to cause for the years 1959 to 1963.

CAUSES OF INDUSTRIAL DISPUTES(a): AUSTRALIA

Cause of dispute	1959	1960	1961	1962	1963
NUMBER OF DISPUTES					
Wages, hours and leave	105	213	123	290	279
Physical working conditions and managerial policy ..	556	648	525	707	748
Trade unionism	86	127	66	92	115
Other	122	157	101	94	108
<i>Total</i>	<i>869</i>	<i>1,145</i>	<i>815</i>	<i>1,183</i>	<i>1,250</i>
WORKERS INVOLVED(b)					
Wages, hours and leave	74,327	228,695	114,125	133,312	171,551
Physical working conditions and managerial policy ..	108,839	154,401	102,125	179,321	142,998
Trade unionism	21,564	43,321	13,797	15,243	22,251
Other	32,741	176,862	70,310	25,977	75,908
<i>Total</i>	<i>237,471</i>	<i>603,279</i>	<i>300,357</i>	<i>353,853</i>	<i>412,708</i>
WORKING DAYS LOST					
Wages, hours and leave	118,010	254,926	248,864	194,427	274,901
Physical working conditions and managerial policy ..	185,282	277,755	261,454	274,091	233,502
Trade unionism	28,826	64,617	34,021	22,418	23,268
Other	32,921	127,809	62,472	17,819	49,897
<i>Total</i>	<i>365,039</i>	<i>725,107</i>	<i>606,811</i>	<i>508,755</i>	<i>581,568</i>

(a) Refers only to disputes involving a stoppage of work of 10 man-days or more. (b) Includes workers indirectly involved. See note (b) to table on p. 500.

6. Methods of Settlement.—The following table shows particulars of industrial disputes for 1963, classified according to method of settlement, in three industry groups.

INDUSTRIAL DISPUTES(a): METHODS OF SETTLEMENT, AUSTRALIA, 1963

Method of settlement	Coal mining	Stevedoring	Other industries	All industries
NUMBER OF DISPUTES				
By private negotiation	44	1	195	240
By mediation not based on legislation .. .. .	..	..	..	..
State legislation—				
Under State Conciliation, etc., legislation	3	..	122	125
By reference to State Government officials .. .. .	..	..	..	..
Commonwealth and Commonwealth-State legislation—				
Industrial Tribunals under—				
Conciliation and Arbitration Act	1	1	81	83
Coal Industry Acts	22	..	..	22
Stevedoring Industry Act .. .. .	..	5	..	5
Other Acts .. .. .	..	..	..	..
By reference to Commonwealth Government officials .. .. .	..	227	..	227
By filling places of workers on strike or locked out .. .. .	..	..	..	..
By closing down establishment permanently .. .. .	..	..	..	..
By resumption without negotiation	152	78	318	548
By other methods .. .. .	..	..	..	..
<i>Total</i>	222	312	716	1,250

WORKERS INVOLVED(b)

By private negotiation	3,957	244	37,452	41,653
By mediation not based on legislation .. .. .	..	..	..	..
State legislation—				
Under State Conciliation, etc., legislation	151	..	40,827	40,978
By reference to State Government officials .. .. .	..	..	..	..
Commonwealth and Commonwealth-State legislation—				
Industrial Tribunals under—				
Conciliation and Arbitration Act	72	228	13,333	13,633
Coal Industry Acts	4,367	..	..	4,367
Stevedoring Industry Act .. .. .	..	369	..	369
Other Acts .. .. .	..	..	..	..
By reference to Commonwealth Government officials .. .. .	..	46,618	..	46,618
By filling places of workers on strike or locked out .. .. .	..	..	..	..
By closing down establishment permanently .. .. .	..	..	..	..
By resumption without negotiation	20,512	70,979	173,599	265,090
By other methods .. .. .	..	..	..	..
<i>Total</i>	29,059	118,438	265,211	412,708

WORKING DAYS LOST

By private negotiation	9,398	123	100,073	109,594
By mediation not based on legislation .. .. .	..	..	..	..
State legislation—				
Under State Conciliation, etc., legislation	569	..	103,337	103,906
By reference to State Government officials .. .. .	..	..	..	..
Commonwealth and Commonwealth-State legislation—				
Industrial Tribunals under—				
Conciliation and Arbitration Act	2,592	456	47,003	50,051
Coal Industry Acts	16,914	..	..	16,914
Stevedoring Industry Act .. .. .	..	89	..	89
Other Acts .. .. .	..	..	..	..
By reference to Commonwealth Government officials .. .. .	..	31,472	..	31,472
By filling places of workers on strike or locked out .. .. .	..	..	..	..
By closing down establishment permanently .. .. .	..	..	..	..
By resumption without negotiation	16,441	62,910	190,191	269,542
By other methods .. .. .	..	..	..	..
<i>Total</i>	45,914	95,050	440,604	581,568

(a) Refers only to disputes involving a stoppage of work of 10 man-days or more. (b) Includes workers indirectly involved. See note (b) to table on p. 500.

WORKERS' COMPENSATION LEGISLATION

A conspectus of the principal provisions of Workers' Compensation Acts in force in Australia at 31st December, 1961, will be found in *Labour Report* No. 49, pages 167-175.

LABOUR ORGANIZATIONS

§ 1. Labour Organizations in Australia

1. **General.**—The figures shown in this section are prepared from a special collection of membership of labour organizations at 31st December each year. The affairs of single unions are not disclosed in the published results and this has assisted in securing complete information. The Bureau is indebted to the secretaries of trade unions for their co-operation in supplying information.

2. **Organizations Registered under the (Commonwealth) Conciliation and Arbitration Act.**—Under Part VIII. of the *Conciliation and Arbitration Act* 1904–1961, any association of employers in any industry which has, or any employer who has, employed, on an average taken per month, not less than 100 employees during the six months preceding application for registration, or any association of not less than 100 employees in any industry, may be registered. However, under the Public Service Arbitration Act, an association of less than 100 employees may be registered as an organization, provided that its members comprise at least three-fifths of all persons engaged in that industry in the Service. Such organizations are included in the figures shown below. Registered unions include both interstate associations and associations operating within one State only. Registration under Commonwealth legislation began in 1906. At the end of 1963, the number of employers' organizations registered under the provision of the Conciliation and Arbitration Act was 66. The number of unions of employees registered at the end of 1963 was 154, with a membership of 1,663,822 representing 83 per cent. of the total membership of all trade unions in Australia.

3. **Particulars regarding Trade Unions.**—(i) *Types.* The trade unions in Australia are very diverse in character, and range from the small independent association to the large interstate organization, which, in its turn, may be a branch of an international body. Broadly speaking, there are four distinct classes of labour organizations:—(a) the local independent; (b) the State; (c) the interstate; and (d) the Australasian or international; but a number of variations occur from each of these classes. The schemes of organization of interstate or federated unions vary greatly in character. In some unions, the State organizations are bound together under a system of unification with centralized control, while in others the State units are practically independent and self-governing, the federal bond being loose and existing only for one or two specified purposes.

(ii) *Number and Membership.* Returns showing membership by States and Territories at 31st December each year are obtained for all trade unions and employee organizations. The following table shows the position at the end of each of the years 1961 to 1963.

TRADE UNIONS: NUMBER AND MEMBERSHIP

State or Territory	Number of separate unions			Number of members			Percentage increase in membership(b)		
	1961	1962	1963	1961	1962	1963	1961	1962	1963
New South Wales ..	226	222	227	743,581	765,479	782,665	-3.2	2.9	2.2
Victoria ..	156	155	154	486,760	498,018	514,919	1.6	2.3	3.4
Queensland ..	133	135	137	329,746	333,999	339,351	0.7	1.3	1.6
South Australia ..	134	133	134	151,488	160,390	161,095	-1.3	5.9	0.4
Western Australia ..	152	152	154	115,000	121,067	128,996	-0.8	5.3	6.5
Tasmania	103	103	103	56,873	57,255	57,482	1.5	0.7	0.4
Northern Territory(c)	24	23	30	2,904	3,336	3,338	(c)	(c)	(c)
Australian Capital Territory(c)	34	38	54	8,251	10,940	15,604	(c)	(c)	(c)
Australia ..	(a)355	(a)347	(a)347	1,894,603	1,950,484	2,003,450	-0.9	2.9	2.7

(a) Without interstate duplication. See below. (b) On preceding year. (c) In some cases, union members in the Territories associated with State organizations are reported under the heading of that State. The annual figures reflect, in part, progressive improvements to more accurate reporting, and the comparability of totals for the Territories is affected by this aspect.

NOTE.—Minus sign (—) denotes decrease.

In the preceding table, under the heading "Number of Separate Unions", a union reporting members in a State or Territory is counted as one union within that State or Territory. The figures do not add to the Australian total (shown in the last line) because a union represented in more than one State or Territory is included in the figure for each State or Territory in which it is represented, but is counted only once in the Australian total.

A table showing the number and membership of trade unions in Australia for the years 1912 to 1961 will be found in the Appendix to *Labour Report* No. 49.

(iii) *Classification in Industry Groups.* The following table shows the number of unions and members thereof in Australia at the end of each of the years 1961 to 1963.

TRADE UNIONS: INDUSTRY GROUPS, AUSTRALIA

Industry Group	1961		1962		1963	
	No. of unions (a)	No. of members	No. of unions (a)	No. of members	No. of unions (a)	No. of members
Agriculture, grazing, etc.	3	61,420	3	60,720	3	60,829
Mining and quarrying	12	35,288	12	35,331	12	34,901
Manufacturing—						
Engineering, metals, vehicles, etc. ..	13	291,541	12	294,646	12	301,534
Textiles, clothing and footwear	7	95,273	7	105,407	7	107,733
Food, drink and tobacco	34	128,016	34	130,312	34	136,769
Sawmilling, furniture, etc.	7	41,954	6	39,104	6	39,677
Paper, printing, etc.	6	51,810	6	52,104	6	53,418
Other manufacturing	32	82,584	31	87,082	31	90,865
<i>Total Manufacturing</i>	99	691,178	96	708,655	96	729,966
Building and construction	28	143,923	28	145,549	25	144,969
Railway and tramway services	25	133,823	25	134,672	25	133,755
Road and air transport	10	58,363	11	63,688	10	66,227
Shipping and stevedoring	14	35,016	14	34,033	14	33,174
Banking, insurance and clerical	19	118,850	19	121,236	19	126,348
Wholesale and retail trade	11	75,748	11	79,709	12	84,184
Public administration(b)	73	341,000	70	353,965	70	373,986
Amusement, hotels, personal service, etc.	23	51,393	22	54,506	23	54,068
Other industries(c)	38	148,601	36	158,420	38	161,013
Total	355	1,894,603	347	1,950,484	347	2,003,450

(a) Without interstate duplication. See para. (ii) p. 504.

(b) Includes communication,

municipal, etc. (c) Includes Community and business services.

(iv) *Number of Members and Proportion of Wage and Salary Earners.* The following table shows the estimated percentages of wage and salary earners in employment who are members of trade unions. As current estimates of wage and salary earners in employment do not include employees engaged in rural industry or in private domestic service, the percentages have been calculated on figures obtained by adding to the end of year estimates an estimate of the number of employees in rural industry and in private domestic service based on the results of the censuses of June, 1954, and June, 1961. For this reason, and also because the membership of trade unions includes some persons not in employment, the percentages shown in the table must be regarded as approximations.

TRADE UNIONS: NUMBER OF MEMBERS AND PROPORTION OF TOTAL WAGE AND SALARY EARNERS, AUSTRALIA

Year	Number of members			Proportion of total wage and salary earners (Per cent.)		
	Males	Females	Persons	Males	Females	Persons
1959	1,494,669	356,058	1,850,727	64	41	57
1960	1,534,423	377,969	1,912,392	63	41	57
1961	1,521,900	372,703	1,894,603	63	41	57
1962	1,561,854	388,630	1,950,484	64	41	57
1963	1,588,454	414,996	2,003,450	62	42	57

(v) *Interstate or Federated Trade Unions.* The following table gives particulars of the number and membership of interstate or federated trade unions in 1963.

INTERSTATE OR FEDERATED TRADE UNIONS(a): AUSTRALIA, 1963

Particulars	Unions operating in—					Total
	2 States	3 States	4 States	5 States	6 States	
Number of unions ..	10	7	23	33	68	141
„ „ members ..	27,684	30,174	189,221	370,156	1,179,640	1,796,875

(a) Certain unions in this group have, in addition to branches in the States, branches in the Northern Territory and/or in the Australian Capital Territory.

4. *Central Labour Organizations.*—*Delegate organizations, consisting of representatives from a group of trade unions, have been established in each of the capital cities and in a number of industrial centres elsewhere. Their revenue is raised by means of a per capita tax on the members of each affiliated union. In most of the towns where such central organizations exist, the majority of the local unions are affiliated with the central organization, which is usually known as the Labour Council or the Trades Hall Council. In Western Australia, until 1962, a unified system of organization extended over the industrial centres throughout the State. In this State, there was a provincial branch of the Australian Labor Party, having a central council and executive, and metropolitan and branch district councils, with which the local bodies were affiliated. The central council, on which all district councils were represented, met periodically. In 1962, this organization was abolished, and a separate Trades and Labour Council with provincial councils was to be established outside the political organization. By the end of 1963 only the central council (the Trades and Labour Council of Western Australia) had been established. A number of provincial councils were established during 1964. In the other five States, while provision usually exists in the rules of the central council at each capital city for the organization of district councils or for the representation of the central council on the local councils, these councils are generally independent bodies.*

The table below shows the number of metropolitan and district or local labour councils, together with the number of unions and branches of unions affiliated therewith in each State and Territory at the end of 1963.

CENTRAL LABOUR ORGANIZATIONS: NUMBER, AND UNIONS AND BRANCH UNIONS AFFILIATED, 1963

Particulars	N.S.W.	Vic.	Q'land	S.A.	W.A. (a)	Tas.	N.T.	A.C.T.	Total
Number of councils ..	12	9	12	5	1	5	..	1	45
Number of unions and branch unions affiliated	335	295	170	154	83	121	..	27	1,185

(a) See explanation in text above.

The figures given in the preceding table concerning the number of unions do not necessarily represent separate unions, since the branches of a large union may be affiliated with the local trades councils in the several towns in which they are represented.

A Central Labour Organization, now called the Australian Council of Trade Unions, came into being during 1927. The Council was created to function on behalf of the trade unions of Australia, and was founded at an All-Australian Trade Union Congress held in

Melbourne in May, 1927. The A.C.T.U. consists of affiliated unions and affiliated Metropolitan and/or State Labour Councils and Provincial Councils. The Metropolitan or State Labour Council in each State is the State Branch of the A.C.T.U. and has the right to appoint one representative to act on the executive of the Council. In addition to the representatives of the State Branches of the A.C.T.U., six delegates are elected by and from Congress, one from each of the following industry groups of unions:—Building, Food and Distributive Services, Manufacturing, Metal, Services, Transport. To this executive are added the four officers, namely, President, two Vice-Presidents and Secretary, who are elected by and from the Australian Congress of Trade Unions.

The ordinary meetings of Congress are held in each alternate year. Special meetings of Congress shall be held whenever deemed advisable by decisions of the executive, as approved by the majority of its branches, or by resolution of unions representing one-third of the total membership of the A.C.T.U.

The objectives of the A.C.T.U. are the socialization of industry, i.e. production, distribution and exchange, and the utilization of the resources of Australia for the benefit of the people—ensuring full employment, with rising standards of living, real security and full cultural opportunities for all. The methods to be adopted are:—the closer organization of the workers by the transformation of the Australian trade union movement from the craft to an industrial basis, by grouping of unions in their respective industries and by the amalgamation of unions with a view to the establishment of one union in each industry; the consolidation of the Australian Labour Movement, with the object of unified control, administration and action; the centralized control of industrial disputes; educational propaganda among unions; and political action to secure satisfactory working-class legislation.

The A.C.T.U. was the first interstate body in Australia with authority to deal with industrial matters of an interstate character affecting the trade union movement generally. It is also the body responsible for submitting to the Commonwealth Government the names of persons suitable for selection as the Australian workers' delegate to the annual International Labour Conference.

All the major unions are affiliated with the A.C.T.U., with the exception of the largest, the Australian Workers' Union, which is itself virtually a central organization of branches catering in the main for employees in rural and constructional pursuits.

Between the trade union and the central organization of unions may be classed certain State or district councils organized on trade lines, and composed of delegates from separate unions whose members' interests are closely connected because of their occupations. Delegate councils of bakers, bread carters and mill employees, or of unions connected directly or indirectly with the iron, steel, or brass trades, or with the building trades, may be so classed.

§ 2. International Labour Organisation

The International Labour Organisation (I.L.O.) was established on 11th April, 1919, as an autonomous institution associated with the League of Nations. Its original constitution was adopted as Part XIII. of the Treaty of Versailles and formed part of other treaties of peace. During the years between its establishment and the outbreak of the 1939-45 War, the I.L.O., with headquarters at Geneva, played a leading role in promoting the improvement of labour conditions throughout the world.

In 1940, in order to ensure that the I.L.O. should be able to continue to function freely, a working centre was established at Montreal, Canada. In 1946, the Organisation became the first of the specialized agencies of the United Nations. Under the terms of agreement, the United Nations recognizes the I.L.O. as a specialized agency having responsibility in the field defined by its constitution, which embraces labour conditions, industrial relations, employment organization, social security and other aspects of social policy. The Organisation has three basic parts. These are the International Labour Conference, its highest authority, which as a rule meets annually; the Governing Body, its executive council, which usually meets three times each year; and the International Labour Office, which provides the secretariat of the Organisation. The Conference is composed of delegations

from the Member States of the Organisation. At the end of 1963, there were 109 Member States, each of which is entitled to be represented by four delegates—two government, one representing employers and one representing workers, together with their advisers. Each delegate speaks and votes independently, so that all points of view in each country are fully expressed. The Governing Body consists of the representatives of twenty-four governments and twelve employers' and twelve workers' representatives. Of the twenty-four government representatives, ten are from the ten countries of major industrial importance and fourteen are elected by the remaining governments. These latter fourteen government representatives and the twelve employers' and twelve workers' titular delegates and the deputy members of the three groups are elected by their groups at the Conference every three years. Particulars are given in *Labour Report* No. 49 of the proceedings of International Labour Conferences up to the 45th Session, held in Geneva in June, 1961. For details of I.L.O. conventions ratified by Australia, see *Labour Report* Nos. 47 to 49.