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NOTES

BOOK REVIEWS

The National Wage Case 1967

KEITH SLOANE*

Australian National University

AT THE time of this year's union application to the Commonwealth Conciliation and Arbitration Commission for an increased basic wage, two further matters, namely an application by employers for a total wage and an application by unions for an increase in margins, were already part heard. As might have been expected in view of recent national wage hearings and the 1966 judgment in particular, the employers successfully applied for all three matters to be considered together and two benches, but only four members in all, sat together and considered submissions on all three matters.[1] After a relatively short hearing two principal decisions were reached: first, all adult award rates were to be increased by $1 and second, awards were now to be expressed as total wages rather than in terms of the two elements of basic wage and margin. The full acceptance of the total wage concept, being the feature which has created most comment and which most distinguishes this from other recent cases, will here be considered before and in more detail than other aspects.

The decision was not accompanied by the usual lengthy reasons for judgment, but by a Pronouncement by the President which contains little detailed discussion of submissions and which, being on behalf of all members, gives the impression of unanimity. Without being critical of this change of practice, it should be appreciated that in commenting on the case there is thus less scope for referring directly to statements by members of the bench and a greater need to offer one's own interpretation of statements than has normally been the case in the past.

THE TOTAL WAGE

The adoption of the total wage was the culmination of a four-year effort on the part of the employers, applications having been rejected in 1964 and 1965 but accepted in principle in 1966. Full acceptance might have been taken for granted in view of the 1966 decision, but the Commission did hear union submissions which, drawing heavily on the reasons for judgment in 1964 and 1965, were directed in large part at attempting to show that the acceptance in principle in 1966 was in error.[2] That the Commission had been open to further argument on the issue was made clear in the pronouncement: "Notwithstanding that acceptance in principle if upon further reflection a reasonable doubt had remained as to the wisdom of changing a long-established system those involved last year would have been prepared to revert to earlier views. However, no member of either bench entertains such a doubt." (Roneoed, p. 6). The employer submission was based on fundamentally the same

case as previously and it is reasonable to consider the Commission as having been converted gradually to the concept rather than as changing because of suddenly altered circumstances during the past four years. After some brief discussion of the importance of the basic wage in the past, the decision is given quite baldly:

"It (the basic wage) has been the keystone of our wages system and has had a special quality. But in our view the time has come to over-haul our time-honoured system because a course is now open which is more consonant with modern requirements and which at the same time will give better protection to employees. We should now express wages as total wages and retain the minimum concept introduced by the Commission in July 1966" (p. 5).

No attempt is made to demonstrate consistency of judgments or to justify the change by means of tortuous interpretations of earlier decisions. Broadly, the Commission justified the adoption of the concept on the grounds that it:

". . . will enable the Commission to act flexibly, to ensure that economic gains are reflected in the whole wage each year, to give more reality to its award-making both in economic and work-value cases, and to give proper attention to the low wage earner. It will simplify the procedural difficulties in economic cases, which would not be entirely overcome by the unions' agreement to simultaneous hearings of basic wage and margins cases. It will eliminate the present awkward necessity for different benches contemporaneously dealing with different parts of the wage; it should simplify the rapid and proper spread of economic decisions throughout awards and determinations under this Act and the Public Service Arbitration Act; and it should put those who give and receive over-award payments in a better position to deal with their problems." (pp. 7-8).

Little elaboration of these points is provided in the Pronouncement and, although the introduction of more straightforward procedures for variation of awards and the provision of more "options" for the Commission may be desirable in terms of the cost and ease of administration, obviously the main justification for these changes can only really be judged in terms of the implications which greater "flexibility", fewer "procedural difficulties" and so on, have for the objectives which the Commission is, or commonly is seen to be, pursuing.

The two objectives probably most relevant here are equity (or "just distribution") and price stability.[3] Without entering into a discourse on what "equity" should mean, but rather taking for granted that in a particular situation there will be some award rate structure which the commission would consider most "just", there will be less likelihood of this structure being unattainable simply because under the total wage arrangement a greater range of structures could be achieved. Whereas under the previous arrangement basic wage variations involved flat rate adjustments for all awards, and flexibility in the context of "economic" (as opposed to "work value") adjustments could be achieved only through

variation of the marginal element of awards, in future annual reviews increases could take the form of flat absolute increases to all total wages (as in 1967), flat percentage increases (as was effectively the case in 1965), or varying percentage increases (as in 1966). The bench was unwilling "to tie the hands of future benches" (p. 7) as to the form which award variations should take, but the submission by the employers that, in the absence of argument to the contrary, adjustments should normally take the form of percentage adjustment appears reasonable.[4]

The advantage, so far as influencing distribution through award variation is concerned, is perhaps most obvious in the context of the low wage-earner. In considering "those whose needs are greatest", account will no longer have to be taken of the fact that increases made to these lowest awards by means of a basic wage variation will flow automatically to all other awards regardless of the size of margin. Theoretically it would now be possible at the time of the annual review to grant increases only to those on the lowest award. Moreover, the intention is to continue to give special consideration to the "social minimum" or "minimum standard" introduced in 1966 as part of the change towards the total wage. This minimum wage received little attention in this year's Pronouncement and there was certainly no indication of the bench having evolved any objective criteria which might guide future variations. Consideration of the minimum is likely to be far more prominent in future hearings and could well become a central part of union submissions.[5]

The increased flexibility may also facilitate a move towards a more "just" relationship between male and female rates, but of course not without a change in wage-fixing criteria. The increase of $1 was granted to both males and females, clearly narrowing percentage differentials, but this could have been achieved, perhaps with greater procedural difficulties, by means of a flat $1 increase in both male and female basic wages. Given, as is pointed out in the Pronouncement, that the payment of equal margins for adult males and females doing equal work has recently been affirmed in the Clothing Trade decision, male-female differentials will still reflect the absolute difference which had existed in the old basic wages. Thus females will benefit from the change if flat increases are now more likely than under a continuation of the old arrangements, which they possibly are but necessarily to a very limited extent, or if the new arrangements make the issue of equal pay more prominent. If it is considered that the simple passing on of the male basic wage to all females could have resulted in females in certain predominantly female occupations, receiving "too high" a wage, relative to other occupations,[6] then equal pay may now more easily, if still gradually, be achieved. Such a view would probably be based on the belief that in certain predominantly female occupations margins were relatively too high, but that this was offset by the lower basic wage. A manipulation which, "general economic" adjustments aside, would amount to at least partially offsetting for these groups a higher basic wage with a lower

margin could probably be handled more easily in a total wage context.

By the same token the new procedures could raise what would, according to most interpretations of "equal pay", be considered an obstacle. If an explicit "needs" interpretation of the "minimum standard" is adopted, this could lead to the re-introduction of age-old arguments which had in large part been relied upon to justify the orginal differences between male and female basic wages, but which had appeared irrelevant when "needs" gave way to "capacity to pay" in basic wage fixation. Certainly the early abolition of existing male-female award differentials cannot be taken for granted. In inviting the parties to raise the issue in the future, and leaving the fundamental questions of principle and criteria open, the Pronouncement emphasizes the difficulties facing the Commission:

> "The extension of that concept to the total wage would involve economic and industrial sequels and calls for thorough investigation and debate in which a policy of gradual implementation could be considered." (p. 10).

Clearly other features of the new arrangement could also be important in the context of distribution. Regular annual reviews of the general level of all awards with a single bench making one assessment of "general economic" factors, will avoid the effects of differences in assessment as between benches and of differences in timing and frequency of review; all of which derive of course from the "joint determination" features of the new arrangement. However, while it may be advantageous on equity grounds to "simplify the rapid and proper spread of economic decisions throughout awards" (p. 7), this could add to the difficulties of achieving price stability in a system where transmission of increases through the wage structure is already rapid by comparison with other systems.

Many of those who had been advocating the introduction of total wage, or its partial substitute "joint determination" of basic wage and general level of margins, undoubtedly saw the chief benefits in the context of the "price stability" objective. Concerned over the actual or possible role of wages in cost inflation, they wished in particular to avoid the situation where, through two essentially independent hearings, very substantial increases in basic wage and margins could occur close together and give rise to an "excessive" increase in the general level of wages. They also wished to avoid the more broadly-based forms of "leapfrogging", whereby the very granting of an increase in one element of awards (say, the basic wage), is used to justify a claim for a change in the other (margins).[7]

Indeed there are probably some grounds for claiming that the more "general" cases which are brought, the more "bites at the cherry", then broadly the greater the increase in the level of money wages and the greater the possibility of "excessive" wage increases. Moreover, despite the

formal cases advanced by the parties, there is little doubt that on the one hand unions believe that they are better off (in money terms and up to a point in real terms), the more opportunities they have to advance cases in a given period and that on the other hand employers believe that generally the fewer such opportunities the better from their point of view. This type of reasoning appears to be implied in the union admission that a principal reason for seeking the consideration of the productivity of individual sectors in work value cases was the belief that they were not getting the full benefit of productivity increases in national wage cases.[8] The employers' preference may be due not only to expectations as to the total magnitude of wages rises but also to the increased "uncertainty" when the number of general cases is increased.

In other words, wage-fixing criteria aside, the nature of the procedures can alone create pressures for wage changes which may influence the general level of wages and prices. Thus, although the new arrangements are seen as "creating new up-to-date fixation procedures and not changing principles of wage assessment" (p. 6), they may have an effect on the achievement of price stability, as well as "wage justice", if they can remove such pressures. But the relative importance of this benefit must not be exaggerated not only because, from the point of view of achieving price stability, pressures from the procedures could become of secondary importance if grossly inadequate criteria lead to excessively large adjustments, but also because the new procedures may well create pressures of their own.[9]

A situation of annual "leapfrogging" through the total wage cases themselves could develop. The granting in one year of a substantial increase in the "social minimum", but only heavily tapered or flat increases to higher total wages, might result the following year in pressure for substantial increases to these higher rates and perhaps even for the restoration of the original differentials.[10] Such a process might arise if the Commission only periodically shows special concern for the needs of low-wage earners, possibly as the result of changing emphasis in the submissions, and points to the danger of making too great a use of the increased flexibility available to it. It is interesting to note in this context the varied forms of adjustment which have been used during the past few years.

Given the importance of the role which the "social minimum" is likely to play in future hearings, it is understandable that the employers endeavoured to achieve an arrangement which would require the greatest possible substantiation of increases in this minimum. But at the same time, if they do succeed in obtaining effective separation of enquiries into the social minimum,[11] this could encourage the very wage comparisons which many had hoped to avoid and, particularly if no objective criteria are settled on, exert pressure on the general level of money wages.

Admittedly, under the new procedure unions will have to indicate in

one submission what they consider to be the most satisfactory relationships between the various total wages and this could conceivably highlight conflicts of interest within the unions more than when separate submissions were made. If so, the scope for concentrating on different parts of the wage at different times may be limited. However if, and when, it becomes clear that there is no possibilty of the basic wage concept being restored, the need for new union strategies would probably be accepted quite readily. Possible broad lines of development include not only the annual "leapfrog" referred to above, but also the concentration on the "social minimum" in national wage cases, leaving the determination of skilled rates above this "floor" much more to "the market" or to outside bargaining and resulting in increased over-award payments. The fear expressed in 1966 that the increase in the minimum wage would not absorb over-award payments already existing at these levels apparently was unjustified,[12] and as yet there are are no indications of substantial increases in such payments for higher grades. But the market could take longer than this to adapt rates and, as suggested above, the unions have scarcely commenced to adapt their wage policies to the new procedures. Thus the possibility of considerable growth in over-award payments, depending in part on the form of future award variations, should not be ruled out. According to the Pronouncement the total wage "should put those who give and receive over-award payments in a better position to deal with their problems". (p. 8). However, not only might it be maintained that many over-award payments would not be considered by these persons to create problems for themselves[13]—rather the reverse in many cases—but it is also possible that the Commission's own problems in the area of over-award payments will grow.

At several points during the hearing the question of whether or not "general economic" factors should enter into work value cases was raised. It might be considered that this possibility is unlikely in view of two aspects of the case. First, while the bench took the view that it should not make any pronouncement "about the conduct of future work value cases and the principles to be applied in them" (p. 8), it did state that:

> "in the future Commissioners will be able to fix total wages on a work value basis in the knowledge that at each annual review any adjustment which should flow from general economic factors including price movements will be made to all total wages." (pp. 8-9).

Second, although unwilling to alter the terms of reference of Commissioner Winter's enquiry into metal trades' margins, as requested by employers, or to comment on the future conduct of the margins case of which it forms a part, the Pronouncement did indicate that the reference bench would be "prepared to consider any questions as to the terms of reference which may arise from this decision". (p. 9). Later in the month, on the application of the employers, it was ruled that the full margins reference bench would fix wage rates and hear evidence

However, it clearly is difficult to adhere to this course in practice; for example, to isolate and reject effectively in work value cases evidence which really pertains to the question of *general* undervaluation of skill, and which is thus more relevant to the national wage case; to ensure that a degree of "tapering" decided upon in a total wage case is maintained in the face of work value adjustments to wages. Admittedly such difficulties could have arisen under the old arrangements, and indeed probably had been increasing in importance. But the policies which give rise to these difficulties—in the main union policies as they initiate most of these cases—could become even more attractive now that unions are to be limited to only one "general" submission each year.

In any case if major work value reviews become much more common, as has been widely predicted, it is conceivable that the "general economic" or "capacity" implications of these may have to be considered, even if no attempt is made to submit evidence on "capacity" as grounds for a variation. It is to be remembered that if the relationships between certain grades of labour are to be altered, this is done almost invariably by raising all rates, but some less than others rather than by raising some rates and lowering others. In other words, a work-value review will normally result in a raising of the average wage for the group covered by the review.[14] Such "leverage" of part of the structure clearly makes a "call on capacity to pay" and presumably has caused little concern to date only because reviews have not been very frequent and have been for relatively small segments of the economy.

In summary, although in the context of the price stability objective the total wage approach may be seen as removing at least one possible source of "excessive" money wage changes, this contribution is likely to be minor, particularly if the alternative is "joint determination". The effects of such a simple change in procedure are likely to be small compared with those arising from the choice of wage criteria. Moreover, the new procedure could well foster other forms of pressure on money wages, the significance of which will depend in part on the form of future variations in total wages and the principles and practices which evolve in work value cases. Increased flexibility there may be, but it is too much to expect to escape from pressures which, in one form or another, appear to be inherent in a centralized system of wage determination.

Criteria and Size of Increase

The submissions on criteria were in the main variations on familiar themes and no attempt will be made here to bring out all of those variations or to re-state the themes in detail. There is no reason to believe that the Bench was moved to adopt very different criteria or that, in the bounds of existing criteria, it was assisted more than in previous cases in settling on a particular money amount.

The employers submitted once more that the Commission should relate

"wage increases based on economic considerations to the prospective performance of the economy," broadly anticipated productivity change, granted that acceptance of "economic responsibility" for decisions does not end the "exercise of discretion" by the Commission.[15] The emphasis was again on the implications of award increases for actual earnings and prices in the future. On the other hand the unions, still subscribing to the view that the Commission has a transcending function to settle "industrial disputes" and that for it the economic consequences of a decision must be only one of a multitude of factors to be taken into account,[16] again saw a wage increase as being justified in terms of "equity and an economic examination of the past".[17] Thus once more the emphasis in the union submissions was on such considerations as past price changes, whether award wages, rather than earnings, have been "just and reasonable" and the past behaviour of the "share" of wages. No compelling new empirical evidence was presented by the parties or by interveners on the past relationship between awards and earnings, or on the behaviour of the wage "share", although there does appear to be a growing appreciation of the limited usefulness of the exercise of endeavouring to interpret in a short-term context aggregate data on wage and profit "shares".

In a submission which was similar in many fundamental respects to that of the employers, the Commonwealth Government pointed to, among other things, the dangers of a concept of "monetary capacity" and the need to consider under capacity-to-pay the implications of changes in wages for the general level of prices. As usual the fact that the Commission has to consider more than questions of price stability was accepted, as was the "conglomerate" interpretation of capacity-to-pay[18] which, in the absence of more detailed definition, does little more than point to the relevance of "economic considerations" and underline the extent of the "discretion" left to the bench. But the Commonwealth did emphasize potential productivity gains as a limiting factor on capacity and, as in the employers' submission, the two terms were at times used almost interchangeably. Agreed that consideration of capacity-to-pay involves consideration of prices, both employers and the Commonwealth again stressed that wage increases should not be awarded for all price changes and in particular not for those which have resulted from excessive wage increases. As previously, there was lengthy discussion of this issue but the admission that the evidence does not exist for isolating causes of price rises[19] leads unavoidably to the stance taken by the Commonwealth, namely that the bench must rely on its own "judgment".[20]

There is no evidence of any change in the criteria followed by the bench:

"The various matters we have considered and discussed are those which inevitably arise in national wage cases and are predominantly economic in character. These include the question of adjustment for price movements (which we all think has a particular significance in wage fixation) the question of price stability, the question of productivity movements and above all the question of economic capacity to pay." (p. 2).

Understandably vague, this clearly does leave ample scope for the "exercise of discretion".

The productivity interpretation of capacity has obvious appeal. It stands to reason that, the effects of foreign trade aside, the rate of change in real income of an economy is limited by the rate of change in real output. More particularly, the rate of change of real wages will obviously be limited by this rate of change of real output, except for the limited scope which exists for re-distribution, and attempts to increase real wages more rapidly than this through widespread money wage increases can normally be expected to result in rising prices.[21] This is indisputable. But not only are there difficulties in devising from this very broad proposition detailed criteria which, when applied continuously by a tribunal to specific wage rates, could achieve price stability for reasonably long periods. It also has to be acknowledged that a national tribunal must necessarily take account of considerations other than price stability. Again all parties would probably agree with this as a broad proposition. But apparently not all would agree that, if price increases already have occurred, the Commission frequently has no real alternative but to compensate for these by means of a wage increase, on "industrial" and equity grounds and to maintain its influence. The granting of such wage increases may make the economic policy tasks of the Government more difficult, but not to grant them would frequently make the position of the Commission, which after all is a creation of legislation, untenable.

No attempt will be made here to outline the various arguments which have been raised against trying to apply the productivity criterion in so formal a way as to result in virtual automatic gearing. Like any other criterion, particularly in a centralized system of wage determination lacking in direct controls and essentially divorced from other aspects of economic policy-making, the productivity criterion cannot be expected to become anything more than a backdrop to the deliberations of the tribunal.[22] Admittedly, the productivity criterion is concerned primarily with the price stability objective and the submissions may be seen as directed in large part at convincing the Commission of the "weights" which should be attached to the various objectives it is pursuing. But these should be mainly in terms of the conditions at that particular time and it should no longer be necessary to devote annually a considerable part of submissions to lengthy explanations of the reasoning which lies behind the criterion itself.

When it comes to the stage of settling on a money amount, clearly the discussion of criteria becomes even more obviously no more than a backdrop. As the Commonwealth pointed out, it boils down to a question of "judgment" and the bench clearly is justified in not discussing submissions in detail, in admitting that "each of us

tends to give different weights individually to different aspects of them" (pp. 2-3) and in not providing detailed reasons for settling on a $1 flat increase. This may limit the scope for comment and discussion but, given the inevitable arbitrariness of decisions, this may on balance be an improvement. There appears to be little to be gained, and possibly something to be lost from comment directed at attempts to offer closely reasoned argument in support of such decisions, and it is still open to commentators to consider the implications of the decisions. There obviously was some satisfaction in indicating (p. 2) the "difficulty of our task" by pointing to the fact that both employers and the Commonwealth opposed an increase in award wages but presented differing views on the economy.

No attempt will be made here to add yet another view on "the state of the economy". However, especially in the context of the past development of the system, the $1 increase could scarcely be considered "excessive". Both the employers and the Commonwealth stressed the size of increases already granted in the previous twelve months, and the fact that this must necessarily exceed the rate of increase in productivity.[23] Aside from the possibility of "non-productivity" reasons justifying increases,[24] it would now be misleading to talk in terms of the rate of increase between June 1966 and June 1967 as though it were a sustained rate of increase, for it is intended that the next general review will not be before August 1968. The employers and Commonwealth both stressed that it takes time for employers to "absorb" wage increases. At least they now know the period over which they can attempt to do so without being faced with further general variations in award wages.

The Role of the Commission

It is stated explicitly in the Pronouncement that it "does not attempt to deal in detail with the role of the Commission" (p. 2), and it essentially re-states views of recent years when it mentions that in "settling interstate industrial disputes involving general economic reviews we must consider the economic state of Australia and have regard to the economic consequences of our decisions." Moreover, it is acknowledged that the matters which arise in national wage cases are "predominantly economic in character". (p. 2).

Even the parties who had been stressing the importance of restraint on economic grounds, avoid suggesting that the Commission does, or should do, otherwise.[25] But surely it is misleading to suggest as the Commonwealth appeared to do, that the Commission should consider the question of price stability without "a conscious policy", and that the Commission is not confronted with any conflict between "objectives".[26] Admittedly, it is only one of several bodies concerned in the achievement of several policy objectives and it must make assumptions, implicit or explicit, as to the actions of the others, as must they about the actions

of the Commission. But if the Commission is supposed to weigh various economic and non-economic consequences of possible award variations before reaching a decision, it can consider whether these consequences are favourable or not only in the context of objectives. Moreover it will commonly be faced with conflicting objectives, in the sense that no award variation is likely to be "optimal" in terms of all, and under existing legislation it has considerable scope to influence the ultimate "trade-offs" between these objectives. There is no direct government control of the "weight" which the Commission should attach to these at different times and it would appear to be influenced, even indirectly, far less than other bodies having such an influence on the ultimate "trade-off".

One might expect that if this position were appreciated fully, the Commission would seek more guidance from the Government. But this can scarcely be expected, at least under existing legislation. If a tribunal is to be "independent", it is forced to adopt the attitude that submissions of the Commonwealth should be given only the same weight as those of other parties or interveners.[27] If a government wishes to have more direct influence then it clearly must be prepared also to bear the responsibility for the actions of the tribunal. It might be agreed with Isaac that the Commonwealth Government "must take a more active and positive part in the Commission's proceedings" and must "be more deeply committed in the framing of a wages or incomes policy". But it is difficult to foresee this being achieved, if it is also accepted that the "strong tradition of an independent body in wage fixing makes it necessary for an independent body like the Commission to continue to bear the ultimate responsibility for any decisions which are made".[28] Even if one thought this desirable, it has not been possible in other areas of policy-making in Australia, and that is what would be involved, nor in countries which have actually initiated incomes policies. Given the limitations on its influence there is little the Commission could do in the way of initiating a comprehensive incomes policy itself. It would appear that if we prefer so much a tribunal outside government control, then we should not aspire to a genuine incomes policy.

Conclusion

The most noteworthy feature of the case was the acceptance of the total wage concept. Although more than purely procedural, in the sense of having more than "administrative" implications, the significance of the change is easily exaggerated. While it could offer the Commission more scope for achieving what it regards as "equity" in the award structure and could remove at least one source of wage pressure on prices, it is in the end unlikely to reduce the ability of the unions to seek what they consider to be "wage justice", and will almost certainly give rise to wage pressures on prices which, although of somewhat different form, could be of even greater significance for price stability than those it

removes. What at first sight appears to be a change which will restrict the unions as principal initiator of cases for award wage variation, is likely to offer them new, and possibly greater, room for manoeuvre. Much will depend on such factors as the form of variations in the total wage, the role given to the minimum wage, and the future nature and significance of work value cases. But it could well turn out that initial union dissatisfaction and employer satisfaction with the introduction of the total wage are far from justified.

REFERENCES

* I am indebted to Mr V. Routley, Public Service Research Fellow at the Australian National University, for comments on an earlier draft of this article, but of course take full responsibility for the views expressed.

1. The members were the President, Sir Richard Kirby, Mr Justice Gallagher, Mr Justice Moore and Mr Commissioner Winter.
2. In addition to these "arguments on merit", the union submitted at some length that the Commission had indicated in July 1966 that it would not reach a decision on the total wage until after the hearing of the margins claim. However, the bench considered that, because margins had been increased significantly in an interim award and because appropriate notice had been given of the employers' intention to press for a total wage, they were justified in proceeding.
3. Some may object to the reference to "objectives" and this is taken up again briefly later. The possible effects in terms of the other objectives are not as clear. "Efficiency of allocation" is likely to be affected only if there are radical changes in the form of future total wage variations and, immediate responses to the change aside, there is no reason to expect any substantial "industrial relations" effects—unless there is, as is later suggested as a possibility, increased bargaining outside the tribunal.
4. *Transcript*, p. 687.
5. Of course this year the unions in effect advanced a "basic wage" case in the old context, but they are unlikely to do so in future if they fail to achieve a return to the concept of the basic wage.
6. This possibility is not entirely out of the question in the context of a "market" interpretation of "equal pay for work of equal value", and in view of the actual differentials which have persisted in countries more active in legislating on equal pay than Australia.
7. As Isaac points out, the tribunal has for some time not admitted *prima facie* case for maintaining a rigid relationship between margins and the basic wage. J. E. Isaac, *Wages and Productivity*, Cheshire, Melbourne, 1967, p. 122.
8. *Transcript*, p. 354.
9. This division between "pressure from the procedures" and unrelated changes in criteria is difficult to make empirically if only because the former might well be reflected in changed criteria.
10. Isaac (*op. cit.*, p. 123) probably has a similar consideration in mind and suggests that its importance may be reduced by the coinciding of introduction of the total wage with a detailed work value inquiry. Of course it is likely to become of continuing importance if there are regular adjustments of the minimum.
11. *Transcript*, p. 148.
12. Isaac, *op. cit.*, p. 123.
13. Certainly they often do have problems if there are irregular and "unpredictable" variations in awards.
14. The employers also appear to accept the inevitability of this type of result, and direct their efforts at opposing the suggestion for industry "economic" reviews. (*Transcript*, p. 74).
15. *Transcript*, p. 160.
16. *Transcript*, p. 492.
17. *Transcript*, p. 651.
18. *Transcript*, p. 214, 550.
19. It might also be maintained that the process of price determination at the macro-level and particularly the role wages play in the process are not understood sufficiently to enable this.
20. *Transcript*, p. 549.
21. This is not to write off the fact that some re-distribution is possible, is a feature of inflation and is of concern to the Commission.
22. It might even be that the parties advancing the criterion would be satisfied with this. *Transcript*, p. 713.
23. The Commonwealth indicated that average minimum wages had risen by about 7.4 per cent since June 1966. (*Transcript*, p. 564).
24. For a start, according to the Commonwealth submission, the Consumer Price Index had increased 1.8 per cent between the June and March quarters of 1966-67 and 3.7 per cent in 1965-66. (*Transcript*, p. 564, 568).
25. Of course the unions adhered to the "settlement of industrial disputes" interpretation of function. (*Transcript*, p. 492).
26. *Transcript*, p. 551-552.
27. This point was given some emphasis by Kirby, C. J. (*Transcript*, p. 713).
28. Isaac, *op. cit.*, p. 137.