

So, if a client has brought something in to show the hairdresser and they've never seen it done and never done it themselves - so that's where training in this industry is ongoing.

Notwithstanding the evidence of Mr Swan, who suggested that the skills of hairdressers have not changed significantly, the majority of the evidence taken by the Inquiry pointed to the fact that there have been a number of major directional changes in the hairdressing industry in the last 20 years. Mr Vernon Roberts, a proprietor of V & G Roberts Hair Design, described this process as follows:

These changes evolve, they do not happen overnight, but they go off and we pursue that particular direction of strength once that direction has been set in the market place.

I guess that is when the clients are demanding a particular thing that's become popular and that's the direction that the industry seems to pursue until things change direction.

The most significant change in the hairdressing industry has been the move in women's hair care services away from perming and towards the colouring of hair. As a consequence of this change, hairdressing salons have been required to shift their focus and have staff undertake training programs, so as to increase business in new areas and attract new clients, so as to make up for the downturn of perming business.

Aside from the changes to women's hairdressing there have been changes to men's hairdressing, Ms Shirley Dungate giving evidence that as men have become more fashion conscious they have begun to have their hair permed or coloured, as opposed to the standard short back and sides.

As noted above, the changes which have taken place to the ways in which men's and women's hair has been cut and styled has meant that hairdressers have had to undertake training to learn the new styles and techniques. Notwithstanding the "up skilling" of hairdressers, the pricing structure of the hairdressing industry has not risen in accordance with actual costs of operating a hairdressing salon, witnesses giving examples of how a ladies haircut previously cost "half the price of a secretary's weekly wage" whereas the current cost of a perm is now about \$70.

#### Changing "Work Value" in the Hairdressing Industry

In *In re Hairdressers' &c., (State) Award* (1980 AR 606) the Hairdressers' and Wigmakers' Employees' Union brought an application for a variation of the hairdressing award. This application sought to show that there had been significant changes in work value in the hairdressing industry with respect to both men's and women's hairdressing and that these changes were sufficient to justify an increase in wage rates. In his decision *Liddy J* described the changes in the hairdressing industry as follows:

From the evidence it may be inferred that some of the so-called glamour of the 'pin-up girl' era is being evoked with new techniques and spiky looks that owe something to the mod '60's. There is a new interest in braiding, weaving the hair and colouring it. It is common knowledge among the fairer sex, that all-over curls are definitely on the wane but waves are in. Hair is being set with cotton wool, pin curl clips or rollers used vertically to achieve a free flowing movement.

New setting lotions, new ranges of shampoos, conditioners and colouring products are on the market. Professional salons are

participating in the public demand for hair care by selling their own products.

The human male has, it seems, travelled almost full circle from the days of 'short back and sides', through the biblical shoulder-length hair, Afro (or golliwog), crew cut, beard, moustache, other hairy permutations and combinations, back to the present tendency to short but shaped hair styles. (at 608)

His Honour went on to hold that the evidence had established significant changes in the work value of all employees in the hairdressing industry and as such the ordered increases in award wage rates (at 609).

Although the proceedings before *Liddy J* were determined on the basis of changes which had taken place in the hairdressing industry between 1975 and 1980, the evidence before the Inquiry has revealed that *Liddy J*'s findings of significant changes in the work value of hairdressers remain equally apposite to the hairdressing industry in the period since 1980. There have been a number of significant changes in the industry:

- **There is a greater emphasis on cutting and colouring.**

The rapidly changing nature of fashion, which I have earlier discussed requires constant upgrading to meet industry demands. The extent of post trade training is a reflection of the demand for skill enhancement.

- **A growing recognition of the importance of workplace occupational health and safety.**

Substantial material was tendered to the Inquiry relating to health and safety procedures applicable to hairdressers. These included draft Skin

Penetration Guidelines issued by the New South Wales Department of Health (Ex 177 Annex 1), and the Cosmetic, Toiletry and Fragrance Association of Australia Inc.'s Guide to the Safe Use of Salon Hair Products (Ex 172 Annex C).

In addition, evidence presented to the Inquiry revealed the extent of technological changes associated with health and safety procedures for hairdressing, as well as evidence of the need for proper training in the use of chemicals associated with hairdressing, witnesses indicating that that incorrect use of chemicals can lead to injury to the client, the hairdresser or damage to the client's hair. As Ms Dungate described:

[H]airdressers are dealing with bleaches on about a 10 on a P H scale and you put any product in the material of that high an alkalinity it disintegrates and hair does, and so, they are playing around with materials that can not only cause great damage to their clients but can cause great damage to themselves.

- **a growth in the number of hair care products that are available.**

Evidence was also presented with regards to the rapidly expanding number of products which are used in hairdressing salons. One example that was given was the growth in the number of hair colours. These were originally limited to black, brown, dark blonde, light blonde, medium blonde and extra light blonde but now range over 50 or 60 colours. Hairdressers gave evidence that they are required to have a full knowledge of all of these colours.

- **the need for hairdressers to undertake regular training and further education reflecting changes in the industry and job demands. This matter is discussed below.**

### Incidence of and Requirement for Post Trade Qualifications

Post trade training undertaken by hairdressers is not, for the most part, recognised by employers in the sense that it results in higher wages. Employers commented that there is an expectation in the industry that hairdressers will upgrade their skills. In addition, there is a perception amongst salon owners that some post trade qualifications would not result in a net benefit to the employer.

Notwithstanding the above, continuing training is regarded as essential to the hairdressing industry. Hairdressers undertake training programmes in both paid and unpaid time. Mr Vernon Roberts gave evidence that employees at his salon undertook possibly only a few hours of training per year. This training took the form of instructional sessions from manufacturers prior to the opening hours of the salon and a variety of advanced training courses at TAFE. Mr Peter Cordoney, the proprietor of Liberty Hairdressers and Everblades Hairdressers, gave evidence that his salons engaged a staff trainer who provided in house training sessions. These non compulsory training sessions were a combination of in-house and after hours training.

There are a number of post trade courses which are available to hairdressers through private providers and TAFE. In particular TAFE offers a 108 hour beauty treatment course which provides trade-qualified hairdressers with the qualifications necessary to obtain a Class IV hairdressing licence, thereby enabling hairdressers to perform a limited range of beauty therapy work (Ex 186 p 38). Other TAFE hairdressing courses aimed specifically at the post-

trade level include:

Subject No.	Course Name	Duration
2030	Hairdressing, Shaving and Gradation Skills	72
2031	Hairdressing, Hair and Beard Design	72
2034	Hairdressing, Long Hair Techniques	36
2035	Hairdressing, Fashion Colouring Techniques	36
2036	Haircutting	36
2045	Trichology	252
2046	Hairdressing - Short Hair Design	72
2048	Hair and Beauty - Management Concepts	36
2049	Hairdressing Progressive Management	36

(Ex 186 p 39)

Between 1994 and 1996 an average of 1288 hairdressers enrolled in post trade TAFE courses. This represents 9 percent of all hairdressing employees (Ex 186 p 38). Furthermore, as the next section indicates there is a reasonably significant amount of unpaid work in the industry. Most training, by way of upgrading of skills, is obtained after hours. It is sometimes paid for by employees and it is designed to improve their technical skills such as the Pivot Point course and product knowledge. The training is often devoted to coping with fashion changes. The training is formal and regular.

Hours Worked, Unpaid Overtime and Award Non Compliance (including when training is undertaken)

Clause 5 of the Hairdressers', &c. (State) Award (the Award) (294 IG 1442 at 1444) provides that the standard working hours in the hairdressing

industry are not to exceed 38 over 5½ days. The span of hours prescribed by the Award is :

Monday to Friday	8.00am - 9.00pm
Saturday, Sunday and Public Holidays	8.00am - 6.00pm

The wages structure for ordinary hours under the Award is described in cl.5(iii). It provides the following wages scales:

Monday to Friday	ordinary hours worked past 6.00pm	Hourly rate + 25 percent
Saturday	ordinary hours worked all day	Hourly rate + 25 percent
Sunday	ordinary hours worked all day	Hourly rate + 50 percent
Public Holiday	ordinary hours worked all day	Hourly rate + 100 percent

Evidence taken by the Inquiry revealed that hairdressers work under a variety of working hours patterns. At V & G Roberts Hair Design employees work a 5 day week. These five days can be worked over any of the days in the period Monday to Saturday; however employees are normally required to work on a Saturday as part of their ordinary hours, Saturday being their busiest day (Ex 171 p 2).

The operating hours of V & G Roberts are as follows:

Monday, Tuesday, Wednesday	9.00am - 5.00pm
Thursday	9.00am - 9.00pm
Friday	9.00am - 7.00pm
Saturday	8.00am - 3.00pm

Overtime is said to be unusual at V & G Roberts Hair Design, one employee being employed for 34 hours per week and another, who works a 38 hour week, paid for staff meetings as an additional payment.

At MIA employees generally work a 5 day week which can be worked over any five days Monday to Saturday. However, full time employees are normally required to work on Thursday nights and Saturday, Saturday being their busiest day, as part of their ordinary hours. Evidence was given that overtime is not required at MIA, and Sundays and public holidays are rarely worked. In those circumstances where Sundays and public holidays are worked the award payments schedule applies (Ex 173 p 4).

At Liberty Hairdressers and Everblades Hairdressers (Ex 178) the working hours are as follows:

Monday, Wednesday, Friday	8.30am - 5.30pm
Thursday	8.30am - 9.00pm
Saturday	8.00am - 4.00pm
Sunday	10.00am - 4.00pm

Employees work a 38 hour week with all employees being required to work on Thursday nights and Saturdays. On Sundays, one full time employee (on rotation) is rostered to work with a part time employee. Overtime is said to be rarely required (Ex 178 p 2), although it is paid, but not very often, in circumstances where an employee works more than a 38 hour week. As an alternative to overtime employees are given time off in lieu so that their hours average out to 38 over a week.



Although the evidence from the proprietors of the nominated hairdressing salons tended to indicate that overtime was not as regular feature of the hairdressing industry, this is at odds with the evidence of Ms Sarah Kaine, an organiser with the AWU, who suggested that unpaid overtime was a regular feature of work in the hairdressing industry:

Q. From your observation was overtime a regular feature in the industry?

A. Absolutely, particularly apprentices were required to work their normal hours as well as go in and set up the salon just prior to getting towels ready, preparing the salon and also at the end of the day cleaning up which is sanitising everything and making sure that it is going to be ready for the next day as well.

...

Q. You have indicated the nature of that pattern but can you just also, are you in a position to indicate approximately what period before the commencement of the ordinary day they were expected to go in and likewise after ordinary hours?

A. Yes, before the salon opened it was anywhere between half an hour and three-quarters of an hour. After the salon closed, it depended because if clients ran over time or if they were particularly busy then it could be quite late and it could depend on how much time they had to clean during the day so it could be an hour. It could be half an hour.

The evidence with respect to the amount of overtime regularly worked by hairdressers was supported by a survey of hairdressing apprentices at Wollongong TAFE, conducted by the New South Wales Working Women's Centre in combination with the AWU, which revealed that only 1 apprentice out of a survey of 100 worked a 38 hour week and that only 37 out of 100 apprentices had a regular lunch break of 30 minutes or more (Ex 380 p 2).

Evidence presented on behalf of the AWU also indicated widespread non compliance with the terms and conditions of the Award in the hairdressing and beauty therapy industries, Ms Kaine giving evidence that:

Underpayment of wages is rife in these industries in my experience organising in these industries. I have yet to see wage records which apply the Award fully in every way. I believe our [sic] reason for this is that employees do not keep themselves up to date on Award variations and while the Professional Hairdressers Association keeps its members informed of changes, membership of their association in the industry is quite low and membership of the relevant employees in Beauty Therapy is even lower. (Ex 177 p 4)

Ms Doyle, who had a substantial period of service in the industry, indicated that employees typically commence work before the formal commencement of the working day without pay, and the same situation applies at the end of the day, where work is performed to finish off work on customers and carry out cleaning. Non payment for many hours worked is routine in the industry.

Evidence was also presented of unpaid training that took place after working hours, on weekends and in blocks with specific training providers, as well as evidence of circumstances where employees took leave without pay or annual leave to undertake training courses.

Whilst the AWU has been active in its attempts to expose award breaches, with a significant number of actions being brought by the AWU in the Chief Industrial Magistrates Court relating to the underpayment of wages, the

evidence revealed that there have been difficulties associated with the prosecution of these cases, because a number of employees did not want the union to proceed on their behalf. Reasons which were given for this reticence included:

- the small works sites that are found in the industry meant that hairdressers and beauty therapists often work side by side with their employers thus making the issue of award enforcement difficult to confront;
- the relative youth of the workforce and the fact that a lot of the breaches related to the terms and conditions of apprentices meant that those affected felt that they were not in a position to cause difficulties for their employer; and
- a suggestion of the existence of non taxable cash payments being made to hairdressers and beauty therapists.

#### Payment of Over Awards

The evidence of overaward payments in the hairdressing industry is limited, with the majority of employees being paid the award minimum. Whilst employee hairdressers are able to increase their pay through the operation of bonus, commission and incentive schemes, their base pay is generally linked to the award rate. In particular, Ms Kaine gave evidence that she had never seen a formal agreement between an employer and an employee clarifying over award payments (Ex 177 p 4) and that her only experience of over award payments was in "the top end of town".

The evidence before the Inquiry revealed a variety of productivity or incentive based schemes, but no payments in the nature of overawards - that

is a regular fixed payment, usually all purpose, above the award rate of pay.

### Payment of Productivity Based Bonuses

Evidence from the owners of both small and large hairdressing salons indicated that salons have instigated a variety of incentive or productivity based bonus schemes as a means of allowing hairdressers to increase their salaries. These incentive scheme operated in a variety of forms, including:

- (a) the payment of a set amount for re-booking clients in for a further appointment before they left the salon;
- (b) the payment of a percentage figure based on work performed on a client which is recommended by the hairdresser (ie. a particular hair colouring or a recommended hair care product); and
- (c) an entitlement to a bonus when an employee's earning exceeded pre determined amounts.

At MIA employees are paid the award rate plus a commission based on a percentage of their takings (Ex 173 p 3). At Liberty Hairdressers and Everblades Hairdressers, commission payments are calculated having regard to a general industry standard that an employee needs to generate three times their cost to be viable. Once employees have surpassed this threshold they are entitled to earn commission payments which range from 2½ - 6 percent of their turnover. Mr Peter Cordoney, the proprietor of those salons, gave evidence that this commission structure resulted in some employees receiving additional payments of approximately 50 percent more than the award rate.

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## BEAUTY THERAPY

### The Workplace

Beauty therapy is a small industry when compared to the hairdressing industry. It has been estimated that there are approximately 4,496 beauty salons in Australia (Ex 201 p 2) of which approximately 1,243 are located in New South Wales.

Evidence presented to the Inquiry on the history of the beauty therapy industry indicated that it was traditionally hairdressers who undertook the work which was known as beauty culture work. This work initially covered areas such as facial massage, make up, manicuring and eye brow treatments. This now represents only a small part of the work performed by beauty therapists, which work has developed into an industry in its own right as the demand for services has grown. An indication of the diversity of work now undertaken by beauty therapists can be gained from the content of the TAFE beauty therapy course:

<b>NSW No.</b>	<b>Module Name</b>	<b>Nominal Hours</b>
2060A	Beauty Therapy Workplace Orientation	18
2060B	Essentials of Client Analysis	9
2060C	Eyelash and Eyebrow Treatments	9
2060D	Skin Treatments	90
2060E	Make-up	45
2060F	Manicuring and Pedicuring	45
2060G	Body Hair Removal	54
2060H	Integrated Beauty Treatments	90
2060J	Facial Treatments Using Machinery	19
2060K	Body Massage	90
2060L	Body Treatments Using Machinery	22
2060M	Beauty Therapy Anatomy and Physiology	22
2060N	Project work on Industry Issues	33
2060P	Safety for Beauty Therapy Services	18
6622C	Nutrition	18
4968A	Dealing with Customers and Clients	18

(Ex 172 pp 3-4)

### Training & TAFE

The TAFE training for a beauty therapist is structured around a four year apprenticeship. Similar to the course undertaken by hairdressing apprentices the training involves both an on-the-job and an off-the-job element. The off-the-job element requires 576 hours of formal training, normally consisting of one day per week at TAFE during the first 2 years of the apprenticeship. The remainder of an apprentice's time is spent working with a beauty therapist.

Given the equivalent length of the TAFE courses undertaken by beauty therapists and hairdressers and the content of the beauty therapy course, Ms Mary Kay, a committee member of the Advanced Association of

Beauty Therapists (“AABTh.”) gave evidence that the work carried out by accredited beauty therapists is work equal to that carried out by hairdressers and hairdressing salons. Notwithstanding this fact, the wage rate established for beauty therapists in the Hairdressers’ &c., (State) Award is set at a relativity of 92 percent of that payable to a hairdresser. For a more detailed discussion of this relativity issue see the following section entitled “the award”.

In addition to the beauty therapy apprenticeship offered by TAFE there are a number of post trade TAFE courses that are available to beauty therapists including courses in aromatherapy, electrolysis, the application of false nails and nail art and the use of more advanced machinery. A prerequisite to enrolment in these courses is that students have previously undertaken an accredited course and have three years experience in the industry. Furthermore there are a number of private providers offering training in beauty therapy. A limited number of these providers have received accreditation by the AABTh (Ex 201).

### Staff Turnover

No specific evidence was presented to the Inquiry with regard to the attrition rates of employee beauty therapists although there was some evidence which indicated that age was not as much of a disadvantage in the beauty therapy industry as it was in the hairdressing industry.

### Customer Relations Skills

As noted in the hairdressing section of this report effective customer relation skills are an essential part of the make up of a successful hairdresser. The evidence taken by the Inquiry also emphasised the importance of these skills for beauty therapists, witnesses giving evidence that beauty therapists are required to develop a close personal relationship with their clients given that some treatments provided by beauty therapists, such as waxing, can involve the clients being placed in positions where they feel vulnerable.

### Employer Representation

There are 2 registered organisations which have been formed to represent the interests of employers in the beauty therapy industry in industrial matters. These are:

- Employers Association of Beauty Therapy (“EABTh.”) - registered with the Australian Industrial Relations Commission; and
- EABTh. (NSW) - registered with the NSW Industrial Relations Commission. (Ex 201)

### Employee Representation

The AWU provides union coverage for beauty therapists. Union coverage in the beauty therapy industry is low.



### Regulation of the Industry

For the purposes of the *Factories, Shops and Industries Act 1962* (NSW) persons performing a limited range of beauty therapy treatments on the premises of a hairdressing salon are defined as hairdressers. In particular s.104(c) defines a hairdresser as being a person “carrying out any beauty treatment on the premises of a hairdresser” (Ex 199).

Pursuant to s.108(1) it is an offence to act as a hairdresser without holding a hairdresser’s licence. The relevant licence for a person performing beauty treatments on the premises of a hairdressing salon is a NSW Class IV Beautician’s Licence. This is a limited licence which covers the following areas of beauty therapy work:

- (i) facial treatments;
- (ii) eyebrow arching;
- (iii) make-up;
- (iv) hand manicures;
- (v) and massage.

The situation with respect to the licensing of beauty therapist *vis a vis* hairdressers is somewhat anomalous. Beauty therapists who do not perform work in a hairdressing salon are not subject to the same licensing restrictions that apply to hairdressers. Those persons performing the limited beauty culture services encompassed by the Class IV licence in a hairdressing establishment are required to be licensed, whilst persons performing the work of a beauty

therapists independent of a hairdressing salon are not required to hold a licence (Ex 300 p 3). As a consequence a person may be engaged to perform a variety of beauty culture and beauty therapy work without the necessity of the four year apprenticeship or equivalent training program that applies to a hairdresser.

Given the absence of a uniform and statutory based licensing regime for beauty therapists there has been an attempt by the beauty therapy industry to instigate a system of self regulation and accreditation. In this regard the AABTh. was established in 1976 as a national professional association. Amongst other roles a key function of the AABTh. has been to provide an accreditation system for the private providers of beauty therapy training in Australia.

The AABTh. accreditation process assesses a number of differing aspects of beauty therapy schools including the premises, equipment, curriculum, quality of teaching and standard of students who sit for practical and theory exams. Beauty therapy schools are inspected annually by the AABTh. and they retain their AABTh. approval only if the results of their students final theory examinations and assessments in all practical aspects of beauty therapy work are acceptable to the AABTh. (Ex 201 p 2).

In addition the Principals of AABTh. approved schools are required to:

- attend State and National Education Meetings;

- update standards according to AABTh. Rules;
- teach, or employ qualified persons to teach all aspects of Beauty Therapy (including theory, anatomy, physiology, chemistry, electricity, nutrition, hygiene and sterilisation and business management);
- agree to abide by and teach all aspects of health and hygiene relating to salons, and observe and teach Health Department and government regulations relating to salons;
- deliver a minimum training time under supervision of 1200 hours;
- employ qualified persons to teach relevant subjects;
- have in the school a minimum amount of equipment per student; and
- observe rules relating to the maximum amount of students per teacher.

(Ex 201 p 3)

At present there are 22 schools in Australia which have received AABTh. accreditation.

Upon completion of an AABTh. approved course, and passing the AABTh. entrance exam, students received either a diploma or a certificate. The evidence revealed that students graduating from AABTh approved schools have little difficulty in obtaining employment:

Most AABTh. Approved School Graduates are employed immediately after graduation, often by a salon owner member of the AABTh. who knows the standard and requires a properly trained therapist. (Ex 201 p 3)

Increased Demand for and Complexity of Services and Post Trade Training.

Whilst hairdressing salons were initially responsible for the provision of the limited range of available beauty services, the last 25 years has seen a rapid expansion in the range of services offered by, and demanded of, beauty therapists.

The growth of the beauty therapy industry was the subject of evidence by Ms Mary Kay in response to questioning by counsel assisting:

Q. Should I take it that there has been an increased interest in and demand for beauty therapy services in both New South Wales and Australia?

A. Yes compared to 25 years ago there is a big difference. I used to work in the city then. Mostly the clients were people with really really bad acne, people with excess hair problems that needed electrolysis. There were hardly any in some of the treatments. They never heard of bikini wax. Most of them wouldn't have leg waxing. There was a lot of treatment they didn't know about. To even get to have a facial was something. Electrolysis they snuck in without telling anybody because as far as their friends were concerned they were hairless, nobody talked about it. Now everybody talks about everything. It has become more open and more popular. It has a long way to go.

Q. You mean a long way to go in terms of the demand by clients for the use of that service?

A. Yes.

The demand for beauty therapy services and the rapidly changing technology associated with the provision of beauty therapy treatments has meant that increasing numbers of beauty therapists are seeking to undertake post qualification training. This is so notwithstanding the fact that they do not receive additional remuneration for undertaking this training.

Post trade training for beauty therapists is seen as both enhancing and maintaining a beauty therapist's skills. As Ms Shirley Dungate, the Manager - Hairdressing, Beauty Therapy Programs, Educational Services Division, TAFE stated:

I think that there is an expectation now in salons that obviously an employer wants an employee to be as skilled as they can be in all facets that they are able to work in and I think that that is fairly evidenced to me by the demands of post trade personnel.

The desire to obtain post-trade education also reflects a recognition that the beauty therapy industry is constantly changing with the advent of new products and equipment and new techniques for providing beauty therapy treatments. Given the impact of this increasing level of sophistication, one witness described how it was "essential" that she attended outside product training seminars so that she could remain "knowledgeable on the newest available equipment and treatments" (Ex 174 p 4).

#### Adjunct of Beauty Therapists to Cosmetic Surgery/Skin Specialist Work

Evidence before the Inquiry revealed that there has been an increasing emphasis on the liaison between the beauty therapy industry and other professions such as dermatologists and cosmetic surgeons. The reason for this liaison was described by Ms Paige Barrand as follows:

Sometimes people go to see doctors and dermatologists and they can tell them they can come to see us and have treatment but we

may need to speak to the doctor or dermatologist and find out what exactly they can have.

If someone had severe acne and wanted a massage on their face, it would just make it worse, so you have to determine what you can and can't do, and sometimes you do have to speak to doctors and dermatologists.

### Wage Rates, Overaward and Commission Payments

Whilst the evidence revealed a general recognition that the award rate for beauty therapists "isn't particularly high", with one employer/beauty therapist acknowledging that the gross wage paid to her apprentice beauty therapist under-recognised her skills, employers in the beauty therapy industry gave evidence that they pay the minimum award rate. In this respect one witness gave evidence that she did not think that over award payments were permissible. There were limited examples of commission or incentive schemes in place. However these schemes were instigated as "[a]n incentive to sell" rather than as a recognition that the award rate payable to beauty therapists undervalued their services.

A discussion of the wage relativity of beauty therapists and hairdressers is contained at the section headed "the award" of this section of the report. For present purposes it is sufficient to note that the 92 percent wage relativity of a beauty therapist was established at a time when beauty therapy work was seen as an adjunct to the work performed by hairdressers. The evidence presented to the Inquiry clearly revealed that beauty therapy has become an increasingly specialised trade with beauty therapists being called upon to perform a diverse range of the services. In this respect, Ms Paige

Barrand, a third year beauty therapy apprentice, gave evidence that she is required to perform a number of discrete beauty therapy services, including:

1. client analysis;
2. eyelash and eyebrow treatments;
3. skin treatments;
4. make-up;
5. manicuring and pedicuring;
6. body hair removal;
7. integrated beauty treatments
8. facial treatments using machinery;
9. acrylic nail applications; and
10. beauty therapy anatomy and physiology.

(Ex 174 p 1)

Given the recognised apprenticeship trade status of beauty therapists (see cl.3 (c) of the Award), the availability of a TAFE apprenticeship course and a number of post trade courses, and the specialised and sophisticated treatments provided by beauty therapists, there can no longer be any justification for the continued discrepancy between the wage relativity of hairdressers and beauty therapists.

#### The Changing "Work Value" of Beauty Therapists

As noted above the Commission has on at least one occasion recognised changes in the "work value" of hairdressers (1980 AR 606). There has not, however, been a similar examination of the changes in the "work value" of beauty therapists, despite the fact that the evidence presented to the Inquiry revealed a number of fundamental changes in the nature and services performed by beauty therapists. These changes include:

- **an increasing demand for new and specialised equipment and techniques**

Initially the work performed by beauty therapists covered only limited areas such as facial massage, make up, manicuring and eye brow treatments. At present the range of services provided by beauty therapists is much broader and includes such services as body hair removal, skin treatments, non surgical face-lifts, pedicures, waxing, and the provision of sun tanning services.

- **a growing awareness of the health and safety issues**

The growing demand for the services provided by beauty therapist has given rise to an increasing awareness of the need to be up to date with the health and safety issues that are associated with the proper provision of beauty therapy treatments. As one witness described:

There is a lot of underpinning knowledge with regards not only the safer use of equipment used in beauty therapy but the effect of that equipment, beneficial or otherwise and certainly the detrimental physical effects that can occur.

Examples of the serious damage that can occur as a result of inadequate training and the improper use of equipment were provided by Ms Paige Barrand, who gave evidence of how:

1. it is essential to discuss with client's prior to any treatment taking place whether or not they are on any form of medication. This is because permanent scarring can occur if a fruit acid peel is used on a client who is taking Retin A;



2. keloid scarring can occur if capillary quarterisation [sic] is not properly done;
3. severe blistering and burns can result if wax is applied at the wrong temperature;
4. incorrect pedicures can result in severe cutting of a client's feet;
5. burning and scarring of the skin can occur if electrolysis is incorrectly performed.

(Ex 174 pp 2-3)

- **the need for beauty therapist to undertake regular training and further education**

Because of the rapidly evolving nature of the beauty therapy industry, and the increasing awareness of the importance of health and safety issues, a number of beauty therapists who gave evidence stressed the importance of undertaking additional training and education so that they keep their skills up to date and so that they are aware of the latest equipment and beauty therapy treatments (Ex 174 p 4). In addition this training is an essential part of ensuring that the modern beauty therapy equipment is properly used.

#### Current Levels of Qualifications, AQF/ASF Rating

At present a hairdresser and/or beauty therapist who completes their apprenticeship is rated at a level of a AQF3.

#### Current Position re Competencies

The establishment of competency standards for hairdressers and beauty therapists has, since 1995, fallen within the jurisdiction of NSW WRAPS.

NSW WRAPS is the Industry Training Advisory Body for the hairdressing and beauty therapy industries in New South Wales (Ex 200 p 1).

In 1994 a set of competency standards for hairdressing was established by the national WRAPS organisation in consultation with the hairdressing industry. These competency standards described the key function of a hairdresser as follows:

A Hairdresser performs a range of services on both men and women to enhance their appearance and self esteem. The role requires strong customer service and communication skills along with the ability to make judgements in selection of equipment, products, techniques and services within commercial time constraints.

(Ex 300, Annex 2, p 9)

New competency standards for hairdressers were awaiting formal endorsement at the time the Inquiry was taking evidence.

Competency standards for the beauty therapy industry are also in the process of being drafted by a National Industry Reference Group. This Reference Group is comprised of representation from the following key industry associations:

1. Australian Federation of Aestheticians and Beauty Therapists;
2. Australian Professional Fingernail Association;
3. Australian Professional Aestheticians;
4. Advanced Association of Beauty Therapists; and
5. Cosmetology Council of Australia.

(Ex 200 p 2)

The National Beauty Therapy Training Package was in the process of being finalised when the Inquiry was taking evidence. Notwithstanding this fact Ms Deborah May gave evidence that the proposed competencies for the beauty therapy industry were to include the introduction of an AQF 5 post trade level.

## THE HISTORY OF HAIRDRESSING & THE AWARD

### Hairdressing & Haircutting

Historically industrial regulation in the hairdressing and beauty therapy industry has been dependant upon a demarcation between the work undertaken by male and female hairdressers. Evidence taken by the Inquiry indicated that the early TAFE training courses distinguished between the skills taught for male and for female hairdressing. In the men's hairdressing course apprentices were taught cutting and shaving skills and those other skills which were associated with shaving such as setting a razor and the sharpening of instruments as well as face massage. On the other hand in the ladies' hairdressing course less attention was paid to maintaining the tools of the trade, as at that time razors were not used in the cutting of women's hair. As such the ladies' hairdressing course focussed on areas such as beauty culture, facial massage, facials, neck massage and a variety of permanent waves, colouring and cutting with scissors.

The differentiation between men's and women's hairdressing arose from a public perception, and an industry response to that perception, that men were better hair cutters, whereas the work of women was predominantly involved in the styling of hair. As a consequence women only cut hair to achieve a certain length for styling purposes. Mr Linden Swan summarised the position as follows:

Because of both the perception that they [men] were more skilful, the fact that it was marketed that way, the fact that cutting a woman's hair off required a certain degree of boldness, lots of women avoided doing that they, more or less, worked in the area of the beauty treatments and the dressing and arrangement of hair rather than the actual style cutting per se.

Given that haircutting was seen as an adjunct to the styling of hair, women trimmed hair in conjunction with permanent waving or colouring but they did not engage in *hairdressing* which was the domain of male hairdressers. This distinction revealed itself in the differing pay scales and classification structures contained in the Male Hairdressers (State) Award and the Female Hairdressing and Beauty Treatment (State) Award. In examining these award classification structures Ms Smith has argued that:

The clear implications of the separate classification structures and awards was that haircutting as a work function was viewed primarily as the work of a male hairdresser. There was a clear distinction between *haircutting* and *hairdressing*, with the former viewed as work predominantly performed by men. (Ex 186 pp 32-33)

Eventually the divide between men's and women's hairdressing began to be broken down with the advent of the unisex salon in the 1970s.

Given the overlap between men's and women's hairdressing a view was taken that there was no longer a need for separate trade courses and as a consequence the TAFE courses were merged in 1988.

### THE AWARD

As noted above the history of award regulation of the hairdressing and beauty therapy industry has been characterised, until relatively recently, by a strict demarcation between the work of male and female hairdressers. A consequence of this gender demarcation has been the existence of significant disparities between male and female rates of pay. These disparities can be clearly observed when comparing the Male Hairdressers (State) Award as at 28 August 1964 (154 IG 724) and the Female Hairdressers and Beauty Treatment (State) Award (153 IG 511) as at 1 May 1964:

#### **Male Hairdressers (State) Award**

<b>Classification</b>	<b>pounds</b>	<b>s.</b>	<b>d.</b>
Hairdresser doing ladies hairdressing not including ladies hair cutting and men's work together with hair work	20	15	
Hairdresser doing hair work generally with men's work	20	10	
All other hairdressers	20	5	

(Ex 168 p 725)

**Female Hairdressing and Beauty Treatment (State) Award**

<b>Classification</b>	<b>pounds</b>	<b>s.</b>	<b>d.</b>
Employee engaged in the work of shaving or hair cutting, male or female, and/or work usually performed by men	19	1	0
Employee engaged in the work of wigmaking or board work generally	19	11	0
Employee engaged in the work of marcel and/or water waving, permanent waving, dyeing, tinting and such trimming as is required in conjunction with the foregoing	15	16	0
Beautician - as defined	14	17	6
Manicurist - as defined - at 18 years of age and under	10	17	6
Manicurist - as defined - over 18 years of age	13	12	6
Receptionist: -			
At 17 years of age	8	5	0
At 18 years of age	9	12	0
At 19 years of age	10	19	0
At 20 years of age	12	6	0
At 21 years of age	13	16	0
At 22 years of age	14	6	0
At 23 years of age	14	16	0

(Ex 167 at 513)

In September 1968 the Hairdressers' and Wigmakers Employees Union made an application to the Hairdressers' &c (State) Conciliation Committee to consolidate the terms of the Male Hairdressers' (State) Award and the Female Hairdressing Beauty Treatment (State) Award. The result of this application was the making of the Hairdressers' (State) Award by *Manuel* CC as Chairman of the Committee on 23 June 1970 (67/125). Pursuant to this award the existing classification structures of the Male Hairdressing (State) Award and

the Female Hairdressing Beauty Treatment (State) Award were removed and a new classification structure was adopted, the materially relevant parts of which provided:

<b>Classification</b>	<b>\$</b>
Wigmaker	57.40
Employees, male or female, doing work on or in connection with the making of wigs, toupees or other hairpieces and/or doing boardwork generally ...	
<b>Male Employees</b>	<b>\$</b>
Hairdresser doing men's hairdressing	56.90
Hairdresser doing ladies' hairdressing (and ladies' haircutting)	57.90
Hairdresser doing ladies' hairdressing (excluding ladies' haircutting but including such trimming as is required in connection with waving, setting and colouring of hair)	57.40
<b>Female Employees</b>	
Hairdresser doing men's hairdressing	56.90
Hairdresser doing ladies' hairdressing (and ladies' haircutting)	57.90
Hairdresser doing ladies' hairdressing (excluding ladies' haircutting but including such trimming as is required in connection with waving, setting and colouring of hair)	48.80

(Ex 166)

Ms Smith contended in her case study that whilst there was some modification of the classification structure in the Hairdressers' (State) Award it still contained a clear and unexplained \$9.00 pay differential between the rates of pay for male and female employees employed primarily in hairdressing (Ex 186 p 33-34). However, an explanation does emerge from a consideration of the

judgment of Commissioner *Manuel* in making the award (23/6/70, Ex 166). The male classifications in the 1970 Award were similar to those found in the predecessor male award in which male employees were paid wholly more than female hairdressers employed under a separate award (Ex 168). However, the female classifications were changed, and two new classifications (namely "hairdresser doing men's hairdressing" and "hairdresser doing ladies' haircutting") were paid the same rate as male hairdressers. However, the third classification, which was precisely the same for male and female employees, namely hairdresser doing ladies hairdressing (excluding ladies' haircutting but including such trimming as is required in connection with saving, setting and colouring of hair), were awarded different rates (notwithstanding a claim for equality).

The differences in pay persisted due to the terms of s.88D of the 1940 Act. The Commissioner found that the work of males and females was the "same or of like nature" and "of equal value" but determined not to award equal pay because of s.88D(9(b) ), namely the work was usually performed by females (Ex 166, p 40 of the decision).

The significance of the ruling is two fold:

1. It is clear that the 1972 Equal Pay principles would have resulted in equality, whereas s.88D was inadequate.
2. It therefore follows that the work of females in the subject area



was, prior to 1970 (and thereafter until finally adjusted) undervalued, at least upon the basis of the 1972 Equal Pay principles.

The Commissioner did not consider whether the margins should be equated on the bases of the principle of equal margins arising from *In re Hairdressers, &c, Females (State) Award* (the *Female Hairdressers Case*) (1929 AR 39) (which I will consider in the next chapter).

It should be noted that the decision of Commissioner *Manuel* was also important in confirming that hairdressing was a "skilled trade" (p 51).

Thus, in May 1972, the margin for the male classification was equated with that of a metal tradesperson, although the female rate was proportionately less in terms of the 1970 award relativities (Ex 166, decision of *Johnson C*; 8/5/72; p 4).

In 1974 the classification structure of the *Hairdressers' (State) Award* was further simplified so as to reflect the following classification structure:

Classification	May 1974 \$
Wigmaker  Employees, male or female, doing work on or in connection with the making of wigs, toupees, or other hairpieces and/or doing boardwork generally.	84.20
<b>Male employees</b>	
Hairdresser doing men's hairdressing	83.60
Hairdresser doing ladies hairdressing	85.00
<b>Female employees</b>	
Hairdresser doing men's hairdressing	83.60
Hairdresser doing ladies hairdressing	78.80

(extrapolated from table 13, Ex 186 p 34)

Once again this new classification structure maintained the historical differential between male and female rates of pay.

The decision of *Sheehy J* on appeal in *In re Hairdressers &c (State) Award* (1975 AR 797) (Ex 170) made a number of significant findings:

1. The beautician rate was determined upon the basis of the shop assistant's rate of pay (p 798).
2. Female loadings had been awarded (p 798).
3. The catch up wage increase for non-trades classifications in the Award was varied to the trades level on the basis of wage

movements which had been awarded to hairdressers.

A parity between the male and female rate of pay at \$120.40 was operative in the Award as from the commencement of the first pay period to begin on or after 18 September 1975. The actual variation to the Award, made pursuant to the *State Wage Case, October, 1975* was not published until 8 February 1978 (208 IG 942).

In 1980, as I have earlier noted *Liddy J* increased rates for hairdressers based on a work value assessment. However, he awarded a lower increase to beauticians.

In 1982 Commissioner *Mawbey* as Chairman of the relevant Conciliation Committee described the hairdressers as "neglected" under the award (82/1122; 21/12/82; p 5; unreported) (Ex 166).

The award which currently regulates employment in the hairdressing industry is the Hairdressers' &c., (State) Award ("Award") (294 IG 1442). The Award was made by *French CC* on 18 November 1993 as a consent award, and it reflected an attempt to substantially change and modernise the Award, in circumstances where the parties had acknowledged to the Commission, that the award covering the hairdressing and beauty therapy industries was "seriously in arrears", wage increases available under both the 1989 and 1991 State Wage Cases being still outstanding.

Ms Smith said that during the period between 1991 -1994 the Award had suffered a significant decline in relation to the relativity of the hairdresser's rate of pay compared to motor mechanics. The reasons for this decline are described by her as follows:

In part this [decline] was due to the introduction of the NSW *Industrial Relations Act* 1991 which prevented the variation of expired awards, a legislative intervention that would have far greater impact in sectors with a low incidence of workplace bargaining and agreements. Considerable delay resulted from the failure of the parties to agree on a number of matters. These included changes to sick leave provisions and an employer proposal for a reduction in penalty rates for weekend, evening and part time work. The PHA opposed union proposals to create new levels in the classification structure above the trade rate and to align the rate for trained beauticians with the trade classifications. By the time this hiatus in award increases was addressed in 1993 both parties agreed that the award was "seriously in arrears", a factor that nonetheless did not provide agreement on a retrospective wage increase.

(Ex 186 pp 36-37)

I set out extracts from the award history for hairdresser doing ladies' hairdressing (and ladies' haircutting) in the below table for the period 1970 to 1997.

**Wage Rates in the Hairdressers', &c. (State) Award, 1970 - 1997**

Serial No.	Date Published IG NSW	Operative Date	Wage Rate \$	Notes
50513	9.09.70	23.6.70	57.9	Original Award
51049	31.03.71	01.01.71	61.4	1970 SWC
53475	1.11.72	08.05.72	68	Comparative wage exercise
53492	8.11.72	19.05.72	70	1972 SWC
54760	13.02.74	28.05.73	76	
54837	3.04.74	29.05.73	80	1973 SWC
54923	1.05.74	01.11.73	85	Equal Pay loadings
55961	30.10.74	23.05.74	89.2	1974 SWC
56365	12.03.75	19.07.74	112.3	
58077	12.11.75	15.05.75	116.3	1975 SWC
62636	8.02.78	18.09.75	120.4	SWC OCT 75
63754	10.05.78	15.02.76	128.1	SWC FEB 76
63755	10.05.78	15.05.76	131.9	SWC JUN 76
63756	10.05.78	15.08.76	134.4	SWC AUG 86
63757	10.05.78	22.11.76	137.4	SWC NOV 76
63758	10.05.78	31.03.77	143.1	SWC MAR 77
63759	10.05.78	24.05.77	145.8	SWC MAY 77
63760	10.05.78	22.08.77	148.7	SWC AUG 77
66509	25.10.78	12.12.77	150.9	SWC DEC 77
66510	25.10.78	28.02.78	153.2	SWC MAR 78
67525	21.02.79	07.06.78	155.2	SWC MAR 78
69646	28.08.79	12.12.78	161.4	SWC JUN/SEPT 78
71130	23.01.80	27.06.79	166.6	SWC DEC 78/MAR 79
72996	24.09.80	04.01.80	174.1	Consolidation
73684	10.12.80	14.07.80	181.4	SWC DEC 79/MAR 80
74497	8.04.81	01.09.80	192.3	Work Value
75109	12.08.81	09.01.81	199.4	SWC JUN/SEPT 80
76025	28.10.81	07.05.81	206.6	SWC DEC 80/MAR 81
77880	15.12.82	01.01.82	215.5	SWC JUN/SEPT 81
80779	26.04.84	21.12.82	245.6	Community wage movement
80754	29.02.84	06.10.83	256.2	SWC 83
81796	7.11.84	06.04.84	266.7	SWC SEPT/DEC 83
83319	4.09.85	06.04.85	273.6	SWC SEPT/DEC 84
A2492	15.02.89	04.11.85	284	SWC NOV 85
A5701	15.02.89	01.07.86	290.5	SWC JUL 86
A5702	15.02.89	10.03.87	300.5	SWC MAR 87
A5704	15.02.89	05.02.88	306.5	SWC FEB 88
A6600	1.12.89	15.09.88	315.7	SWC AUG 88
A6600	1.12.89	5.03.89	325.7	SWC AUG 88
A7121	25.07.90	01.07.89	338.7	Second Tier
A8321	3.05.91	17.10.90	353.7	SWC AUG 89
B2273	26.08.94	09.03.93	378.7	New Award
B4264	26.08.94	25.02.94	386.7	1 <sup>st</sup> Safety Net Adjustment
B3292	17.02.95	10.11.94	396.7	Intro of supplementary payments. 1 <sup>st</sup> MRA
B3843	3.11.95	03.07.95	406.7	2 <sup>nd</sup> MRA
B3843	3.11.95	03.01.96	416.7	3 <sup>rd</sup> MRA
B4460	12.12.97	26.04.96	424.7	2 <sup>nd</sup> Safety Net adjustment
B4460	12.12.97	03.07.96	433.2	4 <sup>th</sup> MRA
B4460	12.12.97	30.06.97	441.2	3 <sup>rd</sup> Safety Net adjustment
B4460	12.12.97	22.08.97	451.2	Safety Net adjustment

Notwithstanding the numerous amendments which have been made to the Award one issue of outstanding concern is the relativity between the wage rates of hairdressers and beauty therapists.

Despite the wealth of evidence presented to the Inquiry as to the significant advances in both the training and technical skills of beauty therapists, including the fact that TAFE has, since 1985, offered an apprenticeship in beauty therapy (Ex 186 p 38), the work of a beautician is still classified at 92 percent of that of a hairdresser, amazingly a relativity below that of a receptionist/salon assistant:

<b>Level</b>	<b>Classification</b>	<b>Relativity at the time of the minimum rates adjustment - 12/93</b>
1	Wigmaker - Employees male and female doing work on or in connection with the making of wigs, toupees or other hair pieces and/or doing boardwork generally.  Adult Employees - Hairdresser doing men's and/or ladies hairdressing	100%
2	Receptionist/Salon Assistant - At 21 years of age and over	93%
3	Beautician - as defined Electrologist - as defined Chiropodist - as defined	92%
4	Manicurist - as defined over 19 years of age	89%
5	Manicurist - as defined at 18 years of age or under	75%

(Ex 186 p 37)

It should be noted that the definition of beautician in the award was varied for the first time to remove the word "female" in 1981 (Ex 166, award published 30 September 1981).

Despite the fact that beauty therapy has now become recognised as an apprenticeship trade by virtue of an award variation effective on and from 2 June 1989 (see in particular cl.2A) (257 IG 153) the relativity of beauty therapists has remained fixed at 92 percent of that of hairdressers. This is a somewhat unique position with Ms Smith commenting in her report into pay equity that she:

[d]id not find evidence of any other declared trade not in receipt of a 100 per cent relativity in a minimum rates award. (Ex 183 p 4)

When one examines the current wage rates paid pursuant to the Award the disparity between the wages paid to hairdressers and beauty therapists is highlighted. As a result of the *State Wage Case August 1997* the prescribed wages rates were adjusted as follows (with effect from 22 August 1997) (302 IG 725 at 726):

Level	Classification	Former Rate per week	3rd ASNA (effective 13/6/97)	SWC August 1997 (effective 22/8/97)	Total Rate per Week
1	Wigmaker - Employees, male and female, doing work on or in connection with the making of wigs, toupees or other hair pieces and/or doing boardwork generally.  Adult Employee - Hairdresser doing men's and/or ladies hairdressing	\$433.20	\$8.00	\$10.00	\$451.20
2	Receptionist/Salon Assistant - 21 years of age and over	\$403.45	\$8.00	\$10.00	\$421.45
3	Beautician, Electrologist, Chiropodist - All as defined	\$399.20	\$8.00	\$10.00	\$417.20
4	Manicurist - as defined, over 18 years of age.	\$386.45	\$8.00	\$10.00	\$404.45
5	Manicurist - as defined, at 18 years of age or under.	\$324.00	\$8.00	\$10.00	\$342.00

This position is clearly unacceptable upon the evidence before the Inquiry. There is no warrant for trade qualified beauty therapists being paid less than hairdressers, and these employees in my view are (and have been) greatly undervalued in their work. Indeed the award classification of beautician, as defined, simply does not recognise the skills and responsibilities of a trade



employee in beauty therapy. The classification beautician, as defined in the award was designed to compensate for the limited functions performed in a hairdressing salon as an adjunct to the hairdressing business, and not to compensate for the trade person in beauty therapy or culture.

### Flat Classification Structure

The Award is structured around the seven classifications: These are:

- (a) Wigmaker - being employees, male and female doing work on or in connection with the making of wigs, toupees or other hairpieces and/or doing boardwork generally.
- (b) Hairdressers - doing men's and/or ladies hairdressing.
- (c) Beautician - being persons engaged in the work of facial treatment, scalp treatment, massage in connection with the foregoing, eyebrow arching and eyebrow tinting.
- (d) Electrologist - being persons engaged in the work of electrolysis.
- (e) Chiropodist - being persons engaged in the work of chiropody.
- (f) Manicurist - being a person solely engaged in manicuring.
- (g) Receptionist/Salon Assistant - being a person engaged as a general hand who is prohibited from trade work other than shampooing and basin work i.e. the removal of hair colourings, neutralising permanent waves, removing bleaches or lighteners, rinsing treatments and applying temporary colour.

Each of these positions is fixed in the sense that they are attributed a wage relativity scaled on the rate payable to a wigmaker and hairdresser.

There are no provisions in the Award which recognise additional skills or training undertaken by hairdressers or beauty therapists, nor does the Award have built into it any form of career progression. These omissions reflect a serious shortcoming in the Award. This is particularly so given recognition in cl.28 of the value and importance of training:

- (i) The parties to this award recognise that in order to increase the efficiency, productivity and competitiveness of the industry, a greater commitment to training and skills development is required. Accordingly, the parties commit themselves to:
  - (a) developing a more highly skilled and flexible workforce;
  - (b) providing employees with career opportunities through appropriate training to acquire additional skills; and
  - (c) removing barriers to the utilisation of skills acquired.
- (ii) Following proper consultation, an employer shall develop a training program consistent with:
  - (a) the current and future skill needs of the industry;
  - (b) the size, structure and nature of operation in the industry;
  - (c) the need to develop vocational skills relevant to the industry through courses conducted by accredited educational institutions and providers through on-site courses.
- (iii) (a) Where, as a result of consultation with the employees concerned, it is agreed that additional training for such employees (excluding trade courses) in accordance with the program developed pursuant to subclause (ii) of this clause should be undertaken by such employees, that training may be undertaken during ordinary working hours and the employees concerned shall not suffer any loss of pay. The employer shall not unreasonably withhold such paid training leave.

- (b) Any costs associated with standard fees for prescribed courses and prescribed textbooks (excluding those textbooks which are available in the employer's technical library) incurred in connection with the undertaking of additional training shall be evidence of such expenditure. Provided that reimbursement shall also be on an annual basis, subject to the presentation of reports of satisfactory progress.
  
- (c) Travel costs incurred by an employee undertaking additional training in accordance with this clause which exceed those normally incurred in travelling to and from work shall be reimbursed by the employer.

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## MOTOR MECHANICS

### THE WORKFORCE

Employees in the motor vehicle repair industry are characteristically young, with the average age across the industry being 27, and male, with men comprising 99.5 percent of the workforce (Ex 186 p 15).

Evidence of the male domination of the motor vehicle repair industry was given by Mr Vincent Tropicano, the General Service Manager of Eagle Ford Pty Ltd trading as Thomson Automotive (Thomson Automotive) who gave evidence that all 25 qualified motor mechanics employed at Thomson Automotive are male (Ex 180 p 1). In addition Mr Wilfred Smith, the Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union - NSW Branch (AMWU) gave evidence that there are less than 20 female motor mechanics in New South Wales.

### Full Time/Part Time

Motor mechanics are almost exclusively employed on a full time basis. Whilst part time employment is found amongst motor mechanics in the United States of America, the evidence revealed that there is almost no casual

or part-time employment in the motor vehicle repair industry in New South Wales (Ex 188 p 3).

### THE WORKPLACE

As at November 1996 the Motor Vehicle Industry Repair Council (MVIC) estimated that there were 12,023 licensed workplaces in the motor vehicle repair sector in New South Wales (Ex 186 p 12). Within this industry motor mechanics are employed in a number of differing work environments, the primary employers being general mechanical repair shops (including mobile repair shops), specialist repair shops, service stations and motor dealerships (Ex 188 p 1).

It has been suggested that the work undertaken in the motor vehicle repair sector can be categorised into three distinct sub-sectors. The first comprises of cars which are less than four years old, the second cars between 4 and 8 years of age and the third cars which are more than 8 years old (Ex 186 p 13). The key features as at 1995 of these three sectors in metropolitan Sydney, Wollongong and Newcastle are described below:

<b>Market Segment Defined by Age of Vehicle</b>	<b>0 to 4 Years</b>	<b>4 to 8 Years</b>	<b>8 Years Onwards</b>
Nature of repair	Servicing of new cars	Second hand market, operative as dealers lose natural point of contact	Market segment with vehicles most in need of repair.
Predominant service providers	Dealerships, plus establishments such as Shell Autocare, BP, Goodyear	Larger specialised repair workplaces (5 - 30 employees)	Smaller specialised firms, including sole traders (less than 5 employees)
Attitudes to trade workers	Prefer workers with manufacturer and model specific skills as opposed to 'all round' tradesperson	Organisations are built round trade level workers. Segment characterised by strong trade ethic	As for segment 2
Pricing policy/charge out rate	Highest charge out rate of around \$60 - \$70 per hour	Rate set below that for dealerships at \$45 - \$55 p.h.	Rate set below that for segment 2 at \$35 per hour
Wages policy	Lowest wage rate of three sectors. Bonus schemes in operation	Wages in this sector the highest of the three sectors. Wages set to attract quality workers. Efficiency bonuses in operation.	Rates positioned between segments 1 and 2
Approximate proportion of employment in industry (%)	20	70	10

(Ex 186 p 13)

## Technical Skills

Motor mechanics are required to exercise a high degree of technical skill and knowledge in the performance of their trade. Mr Ross Parton, a Program Manger in the Construction and Transport Educational Services Division of TAFE, gave evidence of the extensive skills and knowledge expected of a motor mechanic:

The calling of a motor mechanic involves a wide range of skills and knowledge that must be applied to effectively diagnose system faults and carry out necessary maintenance, service and repair procedures. The modern motor vehicle is a complex piece of machinery incorporating mechanical, hydraulic, pneumatic and electrical/electronic systems far beyond those of motor vehicle [sic] produced 15 - 20 years ago. In many cases several of these media are incorporated into the one system. The qualified mechanic is expected to be able to diagnose faults in and service and repair these systems.

Motor mechanics are required to understand the principles of mechanics, hydraulics, pneumatics, and electrical/electronics and how they apply to all systems of the vehicle. This enables them to perform tests on vehicles systems and identify faults and then pin point the actual component that is causing the fault. Having identified the fault the mechanic then has to determine the most appropriate method of rectification within given time and budget constraints." (Ex 203 p 5)

## Specialisation and Franchising

The increasing demands that have been placed on the skills base of motor mechanics have resulted in a move towards the specialisation of services provided by motor mechanics. Mr Hatton described the industry as being "specialised with lots of niche markets". These niche markets include areas such as electronic fuel injection and tune up, steering and suspension,



automatic transmission, brake systems and exhaust systems (Ex 188 p 1).

The evidence also pointed towards a significant growth in franchised dealerships which specialise in particular models of cars. An example of such a franchised dealership is Thomson Automotive which, as a multiple franchised dealer, specialises in Ford, Daihatsu, Daewoo and Subaru motor vehicles (Ex 181 p 1).

Motor mechanics who work in franchised dealerships are expected to have a detailed knowledge of the range of vehicles that are covered by the franchising agreement. This has meant that they are required to undertake additional training so that they can acquire the specialised skills and knowledge that are associated with the models of motor vehicles that they deal with (Ex 181 p 1).

#### Client Interaction and Work Environment

Unlike the hairdressing and beauty therapy trades the work of a motor mechanics does not generally involve direct interaction with clients (Ex 190 p 1). Notwithstanding this fact, the work of motor mechanics is regarded as being stressful because motor mechanics are faced with constant pressure to have allocated work completed within the “standard repair time”. (Standard repair time is an industry measure against which repairs to motor vehicles can be compared).

The interrelationship between the standard repair time method of costing and the stress levels of motor mechanics was described in evidence by Mr Wilfred Taylor:

Q. How would [sic] you describe the physical work of mechanics? Is it difficult work, hard work?

A. It is very stressful rather strangely. That's one of the reasons for the high labour turnover after the completion of the apprenticeship. I made reference earlier that there are standard times of every job on a motor vehicle and every employer wants those standard times or better. There's a fair amount of stress on people within the industry, particularly in the passenger motor vehicle sector. There's very high stress on people and it is a large factor in people leaving the industry.

Q. Although most mechanics don't have direct dealings with the customer waiting for his vehicle, they still have to watch the clock?

A. Yes. A big dealership may book in two or three hundred vehicles to be serviced in a day, but every customer wants that vehicle at three o'clock in the afternoon. The customer doesn't like to be waiting in the end, there's a lot of pressure."

### Down Time

The work environment of a motor mechanic is characterised by a minimal amount of "down time". Mr Vincent Tropiano gave evidence that 90 percent of the work performed by Thomson Automotive is "booked" work. As a consequence 92 percent of a motor mechanic's work time at Thomson Automotive is spent in productive enterprise which can be charged for. This is in contrast to the work performed by hairdressers where the evidence revealed that only 40 per cent of work is pre-booked. Given the high level of "booked in" work there is little if any "wind down" time for motor mechanics:

Q. In the context of the pressure, you did indicate that that pressure and stress stemmed from working against the clock. Was that the only source of stress or pressure that you have in mind?

A. Yes, I would say it is. It is not like a factory where a person gets a situation they can wind up while they are working and then wind down before lunch and wind back up again. The motor mechanic seems to be, he starts at eight o'clock and as he is walking past a bundy clock someone hands him a job card because they have started booking cars in at seven. He starts at eight. Every work bay is already full of cars. The parts for those cars in a lot of workshops are sitting there waiting to go on, the service to be done. It is not a case he gets a chance to wind his day in. He has got to hit the mark right from the word go and then keep going. It's not an easy life."

### Occupational Health and Safety

The work of motor mechanics is physically demanding and it often involves motor mechanics working in awkward positions and moving and lifting heavy equipment. As a consequence manual handling accidents are common in the industry (Ex 188 p 3), injury statistics evidencing the high incidence of workplace injuries suffered by motor mechanics (Ex 257).

### Staff Turnover and Wastage

The evidence taken by the Inquiry indicated that there is a shortage of qualified motor mechanics in New South Wales. This shortage is said to be more pronounced in the city than in the country. Whilst the shortage has not been regarded as a very serious issue by the MTA, the evidence revealed that it is often difficult for an employer to replace a motor mechanic when one leaves (Ex 188 p 2, Ex 241 p 1).

A related difficulty is the significant “wastage” of qualified motor mechanics. Wastage occurs when motor mechanics move out of the trade altogether, such as when they are “poached” by the mining industry, or move into the transport industry as truck or coach drivers where their ability to be able to repair vehicles is seen as an advantage.

At the apprenticeship level the evidence also revealed a significant level of wastage with approximately 30 per cent of apprentice motor mechanics leaving the industry during the course of their apprenticeship and another 30 percent of employees leaving the industry within the first two years following the completion of their apprenticeship.

Notwithstanding the above Mr Vincent Tropiano gave evidence that the turnover of motor mechanics at Thomson Automotive is low with the average length of service for a motor mechanic being 6 years. Out of a total of 25 qualified motor mechanics at Thomson Automotive, 7 have in excess of 10 years service (Ex 180 p 3).

### Employer Representation

The peak employer organisation in the motor vehicle industry in New South Wales is the Motor Traders’ Association of New South Wales (MTA).

The MTA has in excess of 6000 members (Ex 188 p 1) who employ

approximately 40,000 employees.

The MTA provides a range of services for its members including advice on consumer law, lobbying and putting submissions to government, representing the industry within various forums, and providing advice and assistance to MTA members in areas such as superannuation, occupational health and safety and award interpretation. The MTA does not, however, provide technical training for motor mechanics, but provides training relevant to the needs of its members rather than those of their employees, for instance, as to understanding of the law and obligations as to occupational health and safety. Technical training is provided by organisations such as the Institute of Automotive Mechanical Engineers (AIME). The evidence revealed that approximately 20 percent of motor mechanics are members of AIME.

#### Employee Representation

Industrial representation for employee motor mechanics is provided by the AMWU. The AMWU's potential coverage extends to all employees employed in trade and non trade automotive classifications in both federal and State awards, and includes employees engaged in the manufacturing or repairing of motor vehicles or the manufacturing of component parts for motor vehicles (Ex 191 p 1).

There are approximately 4000 AMWU motor mechanic members in New South Wales. Whilst female membership of the AMWU is very low in the

industry, the evidence revealing there was only 1 female motor mechanic who was an AMWU member, it must be borne in mind that there are less than 20 female motor mechanics in New South Wales.

By industry sector AMWU coverage is said to be as follows:

- motor dealerships - 4 percent;
- commercial - 10 to 12 percent;
- heavy vehicle and commercial (combined) - 20 percent;
- trucking - 100 percent; and
- private bus companies - 25 percent.

Notwithstanding the apparently low union coverage in motor dealerships Mr Vincent Tropiano gave evidence that 98 percent of employees at Thomson Automotive are union members.

### Regulation of the Industry

The retail motor vehicle repair industry is regulated by the *Motor Vehicle Repairs Act 1980 (NSW) (MVR Act)*. The primary regulator body established by the Act is the MVRIC which is responsible for regulating employers within the industry.

Prior to the introduction of the MVR Act the motor vehicle repair industry was largely unregulated with the MVRIC noting in 1979 that:

An Inquiry established by the Minister for Industrial Relations in 1979 found that (prior to certification) a third of people employed as motor vehicle repairers had no formal training, and of this third 40% had been in the industry for less than 2 years.

(Ex 186 p 16)

According to Ms Megan Smith the introduction of the MVR Act has resulted in a tightening of the labour market for motor mechanics, an AMWU submission to the Industry Commission stating:

“In New South Wales in 1982, the licensing provisions covering LPG systems was moved from the Dangerous Goods Act to the Motor Vehicle Repairs Act. This transfer arose out of the poor standard of administration of the licensing system under the Dangerous Goods Act, as revealed by a spate of LPG detonations involving motor vehicles with poorly fitted systems.

As a result, major accidents involving LPG have been largely eliminated in NSW. The Industry Commission will be interested to know that the transfer of regulatory responsibility involved in this reform was based on the *exclusion* of persons who did not hold basic trade qualifications. The criteria for the grant of an LPG certificate in New South Wales demands [sic] that the person be a motor mechanic. Alternatively, where the employee works only on LPG powered industry equipment (eg, forklifts), the employee may also be a fitter, but with experience in the field. In these latter cases, a full certificate is withheld in preference to a provisional certificate.”

(Ex 186 p 16)

Pursuant to the MVR Act both individuals and motor vehicle repair businesses are required to be licensed (Ex 188 p 2). The licensing requirements of the MVR Act are provided for in s.15 which provides, inter alia:

## **15 Licences**

(1) On or after the relevant day, no person (other than an exempted person) shall:

- (a) carry on or advertise that the person carries on or is willing to carry on the business of a repairer in respect of any repair work unless the person is the holder of a licence in respect of a class of repair work that includes that repair work; or
- (b) carry on the business of a repairer at any place of business unless the person is the holder of a licence granted in respect of that place of business.”

“Repair work” is defined in s.4 as meaning the work of:

- (a) an automotive electrician;
- (b) a body maker;
- (c) a brake mechanic
- (d) a front end specialist;
- (e) a motor cycle mechanic;
- (f) a motor mechanic;
- (g) a painter tradesman;
- (h) a panelbeater;
- (i) a transmission specialist;
- (j) a liquefied petroleum gas mechanic;
- (k) a natural gas mechanic; and
- (l) a prescribed tradesman,

but does not include work that is prescribed as exempt for the purpose of this definition.”

The maximum penalty for a breach of s.15 is 20 penalty units

(currently \$2200): s.15(1).

In order to be able to grant a licence the MVIRC must be satisfied that the applicant is a “fit and proper person” and has “sufficient material, manpower and financial resources to carry on the business of a repairer in respect of that class of repair work”: s.18(1).

Section 19 specifies that a licence granted by the MVIRC must:



- (a) (Repealed)
- (b) specify the class or classes of repair work in respect of which the licence is granted;
- (c) specify the place of business in respect of which the licence is granted;
- (d) specify the name of the person or, in the case of a joint licence the names of the persons, to whom the licence is granted; and
- (e) where the licence (including a joint licence) is granted to a corporation, specify the names of the directors of the corporation.

### Apprenticeship

The TAFE motor mechanic apprenticeship is of four years duration and consists of both an on-the-job and an off-the-job component.

The course structure for the motor mechanics (light vehicles) apprenticeship is as follows:

Subject No.	Subject Name	Hours
7293M	Automotive Transmissions (Lv)	32
7292E	Automotive Electrical Principles	40
7292F	Automotive Electrical Systems	32
7292D	Automotive Engine Operating Principles	40
7292G	Automotive Heating and Welding Procedures	20
7292B	Automotive Maintenance & Service Procedures	40
7292C	Automotive Mechanical, Hydraulics & Pneumatics	40
7292A	Automotive Workplace Safety, Tools and Equipment	48
7293A	Brake Systems (Lv)	60
7293L	Clutches and Manual Transmissions (Lv)	40
7293G	Cooling Systems (Lv)	16
6357B	Coping with injury in the workshop	8
7293S	Diagnostic Procedures (Lv)	24
7293F	Diesel Fuel Systems (Lv)	44
7293K	Electrical Systems (Lv)	44
7293H	Emission Control Systems (Lv)	20
7293P	Engine Control Systems (Lv)	40
7293R	Engine Management Systems (Lv)	28
7293N	Engine Testing and Cylinder Heads (Lv)	40
7293J	Final Drives and Driveshafts (Lv)	28
7293C	Heating and Air Conditioning (Lv)	24
7293E	Ignition Systems (Lv)	44
5000A	Industrial Relations and Apprenticeship	4
7293D	Petrol Fuel Systems (Lv)	40
7293B	Suspension and Steering Systems (Lv)	60
7293Q	Turbochargers and Exhaust Systems	12
8979V	Work Team Communication (NCS004)	20

(Ex 186 p 22)

The off-the-job TAFE training component is completed during the first three years of the apprenticeship and involves 864 hours of TAFE training. This normally comprises of one 8 hour TAFE training day per week during six 18 week terms (Ex 186 p 21). The off-the-job component is focussed on the development of a high level of understanding of how vehicle systems and the individual components of motor vehicles operate and relate to each other. In addition, the TAFE training provides an opportunity for students to apply their knowledge to the diagnosis and identification of faults within motor vehicle systems, and to the selection of appropriate repair equipment and procedures to rectify these faults (Ex 203 p 3).

The on-the-job training component comprises approximately 6,400 hours over the 4 year period of the apprenticeship and provides apprentices with the opportunity to put what they have learnt at TAFE into practical effect. Mr Ross Parton, gave evidence of the importance of the on-the-job training undertaken by apprentice motor mechanics:

The TAFE training program provides the apprentice with a maximum of one or two experiences in the diagnosis, service and repair procedures relating to a *particular* vehicle system or component and it is recognised that this does [not] provide for the achievement of full competence. True competence can only be achieved after the apprentice has had the opportunity to apply their knowledge and skills to a range of vehicles and in a range of working environments and situations over an extended period of time. (Ex 203 p 4)

The interrelationship between the on-the-job and off-the-job components of the apprenticeship was the subject of evidence by Mr Enrico

Perotti, a tradesperson automotive technician at Thomson Ford (Automotive). Mr Perotti gave evidence that the off-the-job training provided by TAFE gave him approximately 60 percent of the knowledge that was required for his present position, with the other 40 per cent being gained whilst working on-the-job (Ex 190 p 1).

Notwithstanding the extensive training which is provided to motor mechanics the evidence revealed that following the completion of their apprenticeship, newly qualified mechanics are still not equipped to repair all mechanical aspects of a motor vehicle (Ex 180 p 2-3, Ex 241 p 3). In particular Mr Gregory Hatton gave evidence that:

It is generally found throughout the industry that at the completion of an apprenticeship the "new" tradesperson still has a lot of learning on the job before they become a good all round tradesperson. (Ex 188 para 10)

#### Post-trade Training and Education

The nature of the motor vehicle repair industry is such that motor mechanics are required to continuously undertake training and education. Post trade training is seen as both deepening the trade as well as maintaining the level of skill in the trade.

Post trade training for motor mechanics commences almost immediately following the completion of their apprenticeship. Mr Wilfred Taylor gave evidence that:

Personally, with our industry, the motor industry, I found around about 98 per cent of motor mechanics, if they intend staying in the industry, they undertake additional training virtually from the finish of their apprenticeships.

The evidence taken by the Inquiry pointed to a number of significant advances that have been made with respect to motor vehicle technology. Examples were given of how vehicle transmission systems have changed, fuel injection technology has been introduced and anti-lock braking systems have been developed. The level of sophistication associated with this new technology is such that motor mechanics are required to constantly update their training. Whilst the advent of diagnostic computer equipment has been of assistance to motor mechanics, it has also meant that they have had to diversify their skills base, so that they can understand and interpret the computer data produced by the diagnostic equipment.

So significant have these technological changes been that evidence revealed that if motor mechanics stopped updating their skills in 1995 they "would be doing it pretty tough" if they were required to work on a 1998 model car. Furthermore, Mr Wilfred Taylor gave the following evidence:

Let's be quite blunt about it. If a motor mechanic today doesn't take on additional training, within two years he has lost his skills. He can't work in the industry. He is dead because the technology is moving at such a rapid pace today that if we have a mechanic that is out of the industry for two years - let's say a person has been injured. First thing we have to say is can he be retrained? We have to sent him somewhere and have him brought back to speed because he has already lost his edge.

Motor mechanics undertake post trade training across a diverse range of fields. Mr Wilfred Taylor gave evidence that, of 140 motor mechanics working within the K-Mart Auto Bay's franchise he had surveyed, all had completed training in at least 8 post trade areas, with some of those surveyed having undertaking 20 and 30 different training courses.

Mr Andrew Marczenko, an automotive technician at Thomson Ford, gave evidence that since completing his apprenticeship in 1986 he had completed the following additional training courses:

POST TRADE TYPE COURSES:

1986 - 1987	2 year post trade Automatic Transmissions
1989	Basic Electronics (6 months duration via correspondence with Hawthorn Institute Melbourne)
1989	Liquidified [sic] Petroleum Gas course (2 week full time)(Paid by employer)
1990	Automotive Air Conditioning (fitting and servicing)
1994	Automotive Ignition Systems (6 months duration)

COURSES CONDUCTED IN-HOUSE

1985	CFI Turbo Telstar 2.0lt, fuel injection
1987	L Jetronic - KC & KE Laser Fuel Injection
1987	K Jetronic - Fuel injection systems
1989	EECIV Falcon 4.1lt, 3.9lt CFI, 3.9lt MPFI + 5lt in F series trucks
1994	EECV Falcon fuel injection
1994	KJ Laser fuel injection
1996	Mondeo, Transit (injected diesel), Taurus, Festiva fuel injection systems

TRANSMISSIONS

1989	Le 85, 93, 95, 97 variants (electronic automatics) principles of operation hydraulic and electronics
1989	speed Telstar
1990	Laser 4 speed automatic
1990	5 speed manuals, transfer cases and differentials

ANTI LOCK BRAKING SYSTEMS

1988	ABS Telstar turbo
1992	ABS Falcon 4.0 and 5.0 litre variants

STEERING AND SUSPENSION

1986	Power steering boxes, overhaul and diagnosis
1998	Power steering racks, overhaul and diagnosis, wheel alignment, general and specific for 4 wheel steering vehicles

SECURITY SYSTEMS

1993	Falcon smart lock immobiliser systems, this system continues up to 1998 spec vehicles.
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(Ex 181 pp 2-3)

Depending upon the nature of the post trade skills sought and the level of sophistication of the particular workshop which employs the motor mechanic, post trade training can be either undertaken externally or in-house (or a combination of both). TAFE offers the following 18 post trade statement of attainment courses:

<b>Subject No.</b>	<b>Subject Name</b>	<b>Hours</b>
2281	Automatic Transmissions, Hydraulic and Electronic	132
7246	Automotive Air-conditioning Servicing	32
7247	Automotive Charging and Starting Systems	24
2259	Automotive Diesel	108
7255	Automotive EEC 4 Engine Management	15
2272	Automotive Electrical and Electronic	24
7288	Automotive Electronic Anti-Lock systems	18
7281	Automotive Electronic Diesel Engine Management	78
7257	Automotive Electronic Petrol Injection	54
2285	Automotive Ignition Systems	45
7266	Automotive Light diesel servicing	36
7275	Automotive Liquefied Petroleum Gas engines	96
7248	Automotive Mobile Hydraulics 1	54
2284	Automotive Natural Gas Engines	20
7215	Automotive Power Steering	15
2280	Automotive Wheel Alignment	24
7258	Intermediate Mobile Hydraulics	78
2507	Vehicle Workshop Management	48

(Ex 186 p 41)



Between 1994 and 1995 an average of 2,336, or 7 percent of all employee motor mechanics, enrolled in these post trade statement of attainment courses (Ex 186 p 40).

In house training programs are also offered by motor vehicle workshops, Thomson Automotive running a weekly training program for approximately two hours on Thursday evenings. Whilst these training sessions are not compulsory attendance is encouraged (Ex 190 p 2) and employees gave evidence that they regularly attend (Ex 181 p 4, Ex 190 p 2) even though they are not paid to attend (Ex 181 p 4, Ex 190 p 2).

In addition to in house training programs run by employers, comprehensive training programs are also run by car manufacturers for the franchised dealerships, as, for example, that by Toyota (Ex 189). These training programs cover topics such as the introduction of new models, and specification and technological changes which may have taken place to the franchised motor vehicles (Ex 180 p 2).

#### Current Levels of Qualifications, AQF/ASF Rating

The TAFE motor vehicle apprenticeship is currently accredited at a level of AQF 3. Industry committees from New South Wales are, however, of the opinion that the TAFE apprenticeship should attract a rating of AQF level 4. The justification for a move to AQF 4 was said to be based on the following:

The breadth, depth and complexity required of a motor mechanic covers a broad range of varied activities as it encompasses the varied systems on a motor vehicle including; engine management systems, cooling systems, braking systems, electronic componentry, etc. The need for diagnostic skills that may involve the interaction between various systems requires activities that are technical and non routine also support the AQF level 4. Tradespeople are generally required to provide guidance to other staff and limited organisation of the work of others, particularly apprentices, this activity is also identified as the AQF level 4. (Ex 202 p 3)

The evidence revealed that the view supported by the industry in New South Wales has not received nation wide backing (Ex 202 p 2).

#### Current Position re Competencies

The national competency standards for the automotive industry were developed under contract by the South Australian Automotive Training Board in consultation with the AMWU, employer groups, training providers and other relevant industry bodies. These standards form the basis of all accredited training programs and subsequent curriculum development. At present the competency standards in the Retail Service and Repair sector of the automotive industry are being revised as a part of the development of a National Training Package (Ex 202).

#### Hours Worked/Shift Arrangements/Access to Overtime. Any Evidence of Unpaid Overtime (including when training is undertaken)

Overtime is common feature of work on the motor vehicle repair industry (Ex 188 p 3). Mr Enrico Perotti gave evidence that he works approximately 6 to 7 hours of overtime a week, whilst the evidence reveals that employees at Beekman Automotive work an average of 3-4 hours of overtime

per week (Ex 241 p 2).

At Thomson Automotive overtime arrangements are usually negotiated 2 hours before the end of the shift, the employees who have been working on the tasks that need to be finished, being offered overtime first (Ex 181 p 4). In this respect Mr Andrew Marczenko gave evidence that "[t]he question of whether or not overtime will be offered depends on the circumstances, such as the urgency of the job and how many jobs are waiting." (Ex 181 p 4). The amount of overtime worked by employees at Thomson Automotive varies quite considerably as can be seen from the table below:

	<b>Commence Date</b>	<b>Years Service</b>	<b>YTD O/time (\$)</b>	<b>Annualised O/Home (\$)</b>
Employee A	6 Jan 92	6.1	3176	4857
Employee B	11 Dec 72	25.2	1692	2588
Employee C	10 Oct 88	9.4	382	584
Employee D	2 Sep 85	12.5	2082	3154
Employee E	16 Jun 84	13.7	830	48
Employee F	11 Aug 75	22.5	0	0
Employee G	14 Jan 91	7.1	3409	5213
Employee H	5 Feb 96	2.1	3034	5884
Employee I	4 Mar 96	2.0	1757	2887
Employee J	6 Feb 85	13.1	484	741
Employee K	1 Feb 94	4.1	9320	5087
Employee L	7 Sep 94	3.5	904	1382
Employee M	2 Apr 97	0.9	4835	7300
Employee N	28 Jul 97	0.6	2401	3673
Employee O	25 Aug 97	0.5	4783	7285
Employee P	4 Oct 94	3.4	3289	5030
Employee Q	23 Nov 94	3.3	3503	5357
Employee R	12 Nov 97	0.3	129	198
Employee S	28 Feb 95	3.0	2781	4223
Employee T	21 Aug 95	2.5	1013	3032
Employee U	25 Jan 93	5.1	179	273
Employee V	29 Sep 86	11.4	1606	2457
Employee W	12 Feb 76	22.0	6432	9038
Employee X	20 Jun 94	3.7	9187	14051
Employee Y	13 Feb 95	3.0	2994	4570

(extracted from Ex 180, Attachment B)

The varying overtime levels described above are attributed to the fact that some employees at Thomson Automotive have family commitments which preclude them from working overtime on a regular basis.

### Payment of Over Awards

Overaward payments are a common feature of the motor vehicle repair industry with the average overaward payment said to be between \$140 - 180 per week, not inclusive of overtime (Ex 191 p 2).

Evidence presented to the Inquiry revealed that the award rate for motor mechanics operates as a safety net for motor mechanics in country areas, whilst the major city centres are characterised by significant overaward payments.

Overaward payments are negotiated in a number of ways. These include:

- formal agreements which are registered or certified by an industrial tribunal. Examples of such agreements are found at K-Mart Auto Bays, Sydney Buses, Mercedes Benz, International Trucks, Boral Transport Maintenance and Mack Trucks:

	K-MART Auto Bays	Sydney Buses	Mercedes Benz	International Trucks	Boral Transport Maintenance	Mack Trucks
Base Trade	498.00	551.30	593.10	850.40	469.20	599.84
2	515.30	577.90	633.00	917.20		656.23
3	542.20	608.10	700.90	975.60		677.03
4	558.30	636.50				
5	574.50					

(Ex 186 p 26)

(A description of the criteria established by the Base Trade and Levels 1 - 5 is contained at Appendix No. 12).

- informal agreements in the workplace; and
- bonus systems that are negotiated on both a collective and individual basis (Ex 191 p 2).

All qualified motor mechanics at Thomson Automotive are paid wages in excess of the base award rate although the level of overaward payments varies between employees. The extent of these overaward payments is described below:

	<b>Commence Date</b>	<b>Years Service</b>	<b>Annual Rate (\$)</b>	<b>Award (\$)</b>	<b>Over Award (\$)</b>
Employee A	6 Jan 92	6.1	32032	23462	8570
Employee B	11 Dec 72	25.2	41059	23462	17597
Employee C	10Oct 88	9.4	34962	23462	11170
Employee D	2 Sep 85	12.5	36504	23462	13042
Employee E	16 Jun 84	13.7	33958	23462	10494
Employee F	11 Aug 75	22.5	37128	23462	13666
Employee G	14 Jan 91	7.1	34632	23462	11170
Employee H	5 Feb 96	2.1	29016	23462	5554
Employee I	4 Mar 96	2.0	30992	23462	7530
Employee J	6 Feb 85	13.1	31928	23462	8466
Employee K	1 Feb 94	4.1	28600	23462	5138
Employee L	7 Sep 94	3.5	28432	23462	5970
Employee M	2 Apr 97	0.9	30388	23462	6908
Employee N	28 Jul 97	0.6	29900	23462	6438
Employee O	25 Aug 97	0.5	32604	23462	9142
Employee P	4 Oct 94	3.4	28132	23462	4670
Employee Q	23 Nov 94	3.3	32604	23462	9142
Employee R	12 Nov 97	0.3	28600	23462	5138
Employee S	28 Feb 95	3.0	34736	23462	11274
Employee T	21 Aug 95	2.5	29016	23462	5654
Employee U	25 Jan 93	5.1	31512	23462	8050
Employee V	29 Sep 86	11.4	29952	23462	8490
Employee W	12 Feb 76	22.0	32760	23462	9288
Employee X	20 Jun 94	3.7	33600	23462	10338
Employee Y	13 Feb 95	3.0	28600	23462	5138

(extracted from Ex 180, Attachment B)

A number of factors influence the payment of overaward amounts in the motor vehicle repair industry, the primary factor being a recognition of the additional skills that a motor mechanic has acquired.

Mr Vincent Tropicano gave evidence that at Thomson Automotive, apprentice motor mechanics are paid the base award rate, whilst overaward payments are made in recognition of skill in excess of the base trade qualifications held by mechanics, and as an acknowledgment that there is no classification higher than the trade classification.

The value of these additional skills was described by Mr Wilfred Taylor:

Experience and training are important features to the industry given the changing nature of technology employed in motor vehicles. Motor mechanics are often asked to work on a number of different type [sic] of systems ranging from vehicles that are geared to leaded petrol, through vehicles that incorporate the initial stages of emission controls, to electronic fuel injection systems and ultimately total engine management systems. This diversity is required because the vehicles motor mechanics service are not homogenous. A number of dealerships now have franchise arrangements with a number of major manufacturers or importers. This means that mechanics employed in dealerships are required to work across a number of different types of cars, although the majority of these cars would be under three years old. (Ex 191 pp 2-3)

Other factors which account for the payment of overaward rates include:

- incentive payments to prevent poaching of employees by other employers or employees leaving in search of better wage rates;
- economic conditions, Mr Wilfred Taylor giving evidence that periods of recession and growth only impact on the size of the overaward payments (Ex 191 p 3);
- geography - overaward payments are more prevalent in the Greater Sydney region, and in Newcastle and Wollongong but there are areas where there are no overaward payments or only a smaller component of overawards. The reasons for the lower overaward payments in these areas is attributed to the fact that employers have a "captive employment market", Mr Wilfred Taylor saying that:

This is because of high unemployment or because there is not an [sic] readily available alternative employment market for employees. Examples of areas with a smaller overaward component include Wagga, the Central Coast and most large country towns. The absence of overawards in these centres do not in my view predominantly reflect the profitability of employers in these regions. These employers often enjoy a monopoly market position within the region that is further enhanced by low overheads. (Ex 191 p 3; see also Ex 188 p 2)

(This evidence would appear to provide an example of a monopsonistic labour market, a concept discussed in more detail in the Report's Chapter on possible economic impacts of a positive finding of pay inequity on this State's economy.)

#### Payment of Productivity Based Bonuses

Productivity based bonus or incentive payments which operate in the motor vehicle repair industry are generally paid in addition to agreed

overaward wage rates. The basis upon which these bonus or incentive schemes operate was described by Mr Wilfred Taylor as follows:

These systems are usually linked to time saved, sales of additional work and parts used. Standard times are usually set by the vehicle manufacturers for servicing and repair of vehicles. If work is completed short of the standard time component it enables a greater number of job's [sic] to be completed within a day. This practice generates greater income for the workplace as the consumer is charged the standard time rate for the job. This is the most prevalent bonus system operating in passenger vehicle workshops within dealership networks. (Ex 191 p 2).

Bonus or incentive schemes can add significantly to a motor mechanic's annual salary, the evidence revealing that two qualified motor mechanics at Beekman Automotive receive an annual bonus of approximately \$1,000 per annum (Ex 241 p 2).

At Thomson Ford a monthly bonus system operates. Under this system each work team establishes daily and monthly sales targets and are paid differing levels of bonus depending on the achievement over the pre-determined budget (ie. 100 percent of budget, 105 percent of budget or 110 percent of budget). Bonus payments are divided between the service advisor/manager (30 percent) and the relevant work team (70 percent) (Ex 180 p 2). Mr Enrico Perotti gave evidence that his work team made its monthly budget about 5 or 6 times a year resulting each time in a monthly bonus payment of \$50. Across the whole of Thomson Automotive the bonus system contributed the following amounts to the salaries of the employees:



	<b>Commencement Date</b>	<b>YTD Bonus (\$)</b>	<b>Annualised Bonus (\$)</b>
Employee A	6 Jan 92	0	0
Employee B	11 Dec 72	100	150
Employee C	10 Oct 88	200	300
Employee D	2 Sep 85	250	375
Employee E	16 Jun 84	0	0
Employee F	11 Aug 75	550	825
Employee G	14 Jan 91	600	900
Employee H	5 Feb 96	300	450
Employee I	4 Mar 96	550	825
Employee J	6 Feb 85	300	450
Employee K	1 Feb 94	150	225
Employee L	7 Sep 94	0	0
Employee M	2 Apr 97	500	750
Employee N	28 Jul 97	250	375
Employee O	25 Aug 97	450	675
Employee P	4 Oct 94	150	225
Employee Q	23 Nov 94	450	675
Employee R	12 Nov 97	0	0
Employee S	28 Feb 95	200	300
Employee T	21 Aug 95	250	375
Employee U	25 Jan 93	150	225
Employee V	29 Sep 86	550	825
Employee W	12 Feb 76	250	375
Employee X	20 Jun 94	250	375
Employee Y	13 Feb 95	200	300

(extracted from Ex 180, Attachment B)

### Award

The relevant awards within the motor vehicle repair sector of NSW are:

- the Vehicle Industry Repair, Services and Retail Award 1983 ("RS & R Award"). The RS & R Award is a federal award which applies in circumstances where the employer is a member of the MTA or to a less significant extent where the employer is a member of the Metal Trades Industries Association of New South Wales; and

- the Metal and Engineering Industry (New South Wales) Interim Award. (264 IG 536)

The RS & R Award essentially covers the selling, distribution, repairing, maintaining, towing, wrecking, servicing and/or parking of motor vehicles of all kinds (Ex 186 p 30). Within this award an eight grade structure, with relativities built around the classification of R6, was introduced in July 1993 (Print K8409).

As at 27 May 1997 (Print P1338 and Print L3450) the classification structures and wage levels were as follows:

<b>Classification</b>	<b>Wage Group Level</b>	<b>Relativity %</b>	<b>Total Minimum Weekly Rate \$</b>
<b>Vehicle Industry RS &amp; R employee - Level 1</b> <ul style="list-style-type: none"> <li>• Car cleaner/washer</li> <li>• Workshop cleaner</li> <li>• Car polisher - by hand</li> <li>• Detailer - other</li> <li>• Driveway attendant</li> <li>• Office cleaner</li> <li>• Parking attendant</li> <li>• Process worker</li> <li>• Tradesperson's assistant - (see level 2)</li> <li>• Employee not elsewhere contained</li> </ul>	R1	78.0	359.40

<p><b>Vehicle Industry RS &amp; R employee - Level 2</b></p> <ul style="list-style-type: none"> <li>• Battery repairer</li> <li>• Brake service - 1st 6 months</li> <li>• Driver of courtesy car or vehicle in relation to sales or sales promotion or in the course of registration, collection from or delivery to customer - vehicle with maker's capacity of 3 tonnes</li> <li>• Exhaust repairer - 1<sup>st</sup> 6 months</li> <li>• Grinder and/or buffer metal using a portable machine</li> <li>• Lubritorium attendant</li> <li>• Operator of warming mill</li> <li>• Operator detreading, buffing, gouging etc</li> <li>• Roadhouse attendant, when required to cook takeaway meals only</li> <li>• Spring service worker</li> <li>• Tradesperson's assistant (see Level 1)</li> <li>• Tyre fitter</li> </ul>	R2	82.0	376.10
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<p><b>Vehicle Industry RS &amp; R employee - Level 3</b></p> <ul style="list-style-type: none"> <li>• Assembler - accessories</li> <li>• Assembler - body shop</li> <li>• Detailer (as defined)</li> <li>• Machinist - metal 2<sup>nd</sup> class</li> <li>• Painter - brush and/or spray on mechanical chassis components</li> <li>• Paint shop assistant</li> <li>• Polisher/cutter using buff or wet or dry rubber</li> <li>• Record keeper - other</li> <li>• Service receptionist - not being a tradesperson</li> <li>• Steam cleaner and/or proof coater</li> <li>• Wheel aligner - not being a tradesperson but having up to 6 months experience</li> <li>• Wheel builder and/or repairer - not being a tradesperson - 1<sup>st</sup> 6 months experience</li> <li>• Wrecker - automotive</li> <li>• Operator in charge or an extruder</li> <li>• Operator mainly engaged examining tyres</li> <li>• Operator repairing/building up/retreading/recapping aeroplane tyres</li> <li>• Operator relugging earthmover/tractor/grader tyres by hand</li> <li>• Operator engaged in moulding or suring of retreaded, rebuilt, recapped tyres</li> <li>• Storeperson - 1<sup>st</sup> 12 months</li> </ul>	R3	87.4	398.60
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<p><b>Vehicle Industry RS &amp; R employee - Level 4</b></p> <ul style="list-style-type: none"> <li>• Body maker 2<sup>nd</sup> class Brake service - after 6 months experience</li> <li>• Driver of courtesy car or vehicle in relation to sales or sales promotion or in the course of registration, collection from or delivery to customer - vehicle with maker's capacity over 3 tonnes</li> <li>• Exhaust repairer - after 6 months experience</li> <li>• Roadhouse attendant if engaged primarily to cook other than take away foods</li> <li>• Radiator repairer - other</li> <li>• Wheel aligner - other than a tradesperson after 6 months</li> <li>• Wheel builder, repairer - after 6 months</li> <li>• Automotive parts Salesperson</li> <li>• Salesperson - other</li> <li>• Motor vehicle and/or agricultural vehicle salesperson - less than 6 months experience</li> <li>• Console Operator</li> <li>• Storeperson - more than 12 months experience</li> </ul>	R4	92.4	419.50
<p><b>Vehicle Industry RS &amp; R employee - Level 5</b></p> <ul style="list-style-type: none"> <li>• Automotive parts sales - experienced</li> <li>• Automotive service or checker</li> <li>• Recordkeeper (as defined)</li> <li>• Radiator repairer - 1<sup>st</sup> class</li> </ul>	R5	96.2	435.30

<b>Vehicle Industry RS &amp; R employee tradesperson or equivalent - Level 6</b> <ul style="list-style-type: none"> <li>• Automotive electrician</li> <li>• Automotive engine reconditioned</li> <li>• Automotive parts interpreter</li> <li>• Body maker - 1<sup>st</sup> class</li> <li>• Brake mechanic</li> <li>• Electroplate - 1<sup>st</sup> class</li> <li>• Fitter and/or turner</li> <li>• Instrument mechanic - automotive</li> <li>• Machinist - metal 1<sup>st</sup> class</li> <li>• Motor Mechanic</li> <li>• Motorcycle or motor scooter mechanic</li> <li>• Motor vehicle and/or agricultural vehicle salesperson - more than 6 months experience</li> <li>• Painter</li> <li>• Panel beater</li> <li>• Signwriter</li> <li>• Trimmer</li> <li>• Welder</li> <li>• Wheel aligner</li> <li>• Wheel builder and/or repairer</li> </ul>	R6	100.0	451.20
<b>Vehicle Industry RS &amp; R employee tradesperson or equivalent - Level 7</b>	R7	108.0	
<b>Vehicle Industry RS &amp; R employee tradesperson or equivalent- Level 8</b>	R8	115.0	

The R7 and R8 classifications, which are intended to recognise additional skills held by motor mechanics, are currently the subject of a reservation and are thus inoperative. According to Megan Smith, the reservation regarding the R7 and R8 classifications relates to the relativity that should be

assigned to those classification levels, and the requirements for those classification levels, rather than the issue of whether the RS & R Award should in fact recognise post trade classifications. Negotiations between the relevant industrial parties, which include the AMWU and the Motor Traders Association have taken place regarding these additional classifications levels but have been unsuccessful to date.

The current wage rate for an R6 motor mechanic is \$451.20, with the wages history for motor mechanics pursuant to the RS & R Award for the period 1968 - 1998 (as set out in Ex 186 p 55 and in Ex 256) is as follows:

<b>Print No.</b>	<b>Decision Date</b>	<b>Operative Date</b>	<b>Wage Rate \$</b>	<b>Notes</b>
B3495	19/11/68	1/12/68	55.55	
B5057	9/12/69	19/01/69	57.2	
B7962	13/10/71	4/10/71	66.2	
B7975	8/05/72	19/05/72	68.2	
C460	29/01/74	29/05/73	75.5	NWC MAY 1973
C3537	21/03/74	26/10/73	78.5	
C3715	20/01/75	23/05/74	97.9	NWC MAY 1974
C3317	8/04/75	11/09/74	106.9	
C2680	27/10/75	15/05/75	110.7	NWC MAY 1975
C4394	25/03/76	18/09/75	114.6	NWC SEPT 1975
D338	8/11/76	15/05/76	121.9	NWC MAY 1976
D1378	18/10/76	29/09/76	128.1	NWC SEPT 1976
D5406	24/02/78	31/03/77	136.6	NWC MARCH 1977
		24/05/77	139.2	NWC MAY 1977
		22/08/77	142	NWC AUGUST 1977

D6331	19/07/78	12/12/77	144.1	NWC DEC 1977
		28/02/78	146.3	NWC FEB 1978
D7757	14/08/78	7/06/78	148.2	NWC JUNE 1978
E193	16/07/79	12/12/78	154.1	NWC DEC 1978
E3784	17/10/80	5/05/80	175.9	Work Value
E5883	25/05/81	14/07/80	183.3	NWC JULY 1980
E6019	15/05/81	9/01/81	190.1	NWC JAN 1981
E7018	11/09/81	7/05/81	196.9	NWC MAY 1981
E9792	15/06/82	22/02/82	221.9	Community Wage Increase
F0314	19/08/82	13/06/82	233.9	Community Wage Increase
F3269	2/11/83	6/10/83	246	NWC SEPT 1983
F5576	1/06/94	6/04/84	256.1	NWC APRIL 1984
F8842	14/10/85	6/04/85	262.8	NWC APRIL 1985
G0935	6/12/85	4/11/85	272.8	NWC NOV 1985
G4285	25/08/86	1/07/86	279.1	NWC JUNE 1986
G8966	6/11/87	10/03/87	289.1	NWC MARCH 1987
H2297	24/05/88	5/06/88	295.1	NWC FEB 1988
H7408	30/05/89	1/01/89	316.1	NWC AUG 1988
J3283	25/07/90	28/02/90	344.4	NWC AUG 1989
J4933	16/10/90	9/10/90	359.4	NWC AUG 1989(2)
J8882	7/08/91	23/05/91	371.3	Minimum rate adjustment (1)



K0703	2/12/91	17/09/91	380.6	NWC APRIL 1991
K1453	19/03/92	2/12/91	391.2	Minimum rate adjustment (2)
K3511	17/07/92	2/06/92	404.2	Minimum rate adjustment (3)
K9207	15/09/93	9/08/93	417.2	Minimum rate adjustment (4)
L0552	21/01/94	1/12/93	425.2	1 <sup>st</sup> Safety Net Adjustment
M1917	20/07/95	18/04/95	433.2	2 <sup>nd</sup> safety Net Adjustment
N0957	30/04/96	27/03/96	441.2	3 <sup>rd</sup> safety net Adjustment
P1338	27/05/97	12/5/97	451.20	Safety Net Review

### CONCLUSIONS AND FINDINGS

1. The ACM sought that the Commission should, based on the evidence before the Inquiry make the following findings:
  - (a) Hairdressers and beauty therapists are female dominated occupation(s);
  - (b) Motor mechanics are a male dominated occupation;
  - (c) All three occupations are trades;
  - (d) The trade award rate applies to motor mechanics and hairdressers and not to beauty therapists and therefore the work of beauty therapists is "objectively"

undervalued;

- (e) The differences in actual rates of pay above and beyond the award rates of pay are as a result of industry factors and reflect the characteristics of these industries and are not gender related. (Ex 441 para 69)

I consider that the Commission should make the findings in (a) to (d) above. The contention in (e) requires further examination.

2. The Crown parties submitted that the Inquiry should find:

- (i) The work of hairdressers is undervalued by the absence of compensation for post trade skills and experience.
- (ii) The work of beauty therapists is undervalued because that trade has not been awarded parity with other trades. (Ex 459 para 90)

I have made the second of these findings. I will now turn to the first finding concerning post trade classifications.

The Labor Council links the failure to make compensation for post trade experience and training with overaward payments, noting that motor mechanics have access to overaward payments that are in partial recognition of skills acquired in post trade training whereas hairdressers do not. (Ex 454 paras 89-90)

Ms Smith gave evidence as to the significance of differences in approach between the occupations of hairdressing and motor mechanics and the impact this had upon remuneration as follows:

I think the way in which it [remuneration] is treated within separate occupational markets is a factor for consideration. For this particular study remuneration reflects - remuneration of motor mechanics, for example, reflects the fact that the training is seen as [deepening] the trade whereas from my research at least the training that is undertaken for hairdressers does not differ conceptually. It might be product training, it might be technical training, the same sort of training that takes place conceptually as with motor mechanics. The remuneration practice reflects the fact that institutionally it is seen as maintaining the trade.

In a further answer Ms Smith identifies the relevant elements of overaward payments as follows:

Q. In relation to the packaging of remuneration and in particular the overaward and incentive arrangements which apply what do you say the Commission should do in considering those matters for equal remuneration purposes?

A. In my view the Commission or Industrial Tribunal's consideration of those sort of matters would rest on whether those overaward payments include a component that reflects the requirements of the job and not the performance of a particular individual. If there are levels of work that require a different level of skill and require a different level of training and experience and that at the moment is being reflected in an overaward payment rather than by way of a fairly [sic] classification sort of structure in my view the Commission would have regard to that in its appraisal of that and in this particular study I found that there are greater institutional practices for motor mechanics that assist to drive remuneration packages for that particular market.

With regard to incentive payments it may well be that incentive payments reflect an issue of performance and the Commission would - in some senses that would not be a matter essentially of equity as long as the incentive payments were transparent in their nature.

It is submitted by the Labor Council that one of the reasons there is undervaluation of the work of hairdressers is the absence of post trade

classifications in the award that fully recognise the skills acquired by hairdressers post the completion of the trade. A complementary submission is that the work of hairdressers is inadequately described in the award and that there is an absence of either enterprise agreements or overaward payments recognising post trade skills (Ex 454 para 90). Similar issues are raised with respect to beauty therapists.

The Employers' Federation/Chamber submit that the difference in rates of pay for hairdressers and motor mechanics is not due to discrimination and there is no evidence of any gender basis for the differentiation (Ex 446 p 58). As I will discuss in more detail in the section dealing with the dimensions of undervaluation and the chapter dealing with equal remuneration and equal pay, I do not consider that either discrimination or the establishment of some gender based causation are necessary for determination of undervaluation in female dominated industries. I have noted that that approach is neither consistent with the requirements of relevant international conventions nor the approach adopted in equal pay principles.

However, the Employers' Federation/Chamber make submissions dealing directly with post trade classifications. In essence, it is submitted that there are no post trade qualifications for motor mechanics or hairdressers and that post trade training is only recognised in some six enterprise agreements covering motor mechanics with large employers. It is suggested that, in any event, post trade classifications should not be

included in awards as a matter of course, and that the rationale behind post trade classifications being included in the Metal Industry Award could not be easily applied to hairdressing establishments. It is not clear why this is submitted but it would appear that the contention is that hairdressing is not broken up into specialised fields of expertise and hairdressers perform all the work required for the trade (Ex 446 p 54).

In my view the evidence in relation to post trade qualifications for hairdressers is clear. Hairdressers undertake formal post trade training in their own time and usually without pay as a necessary adjunct to the performance of their work in the industry. Moreover, the post trade training is necessary to enhance technical skills and product knowledge to meet the demands of the industry. In this respect, I see no relevant difference between the post trade training undertaken by motor mechanics, and that undertaken by hairdressers, even though the nature of the technical skills being obtained by motor mechanics is different in character. The significant difference between the two areas is that, either through enterprise agreements or overaward payments, or at least part of the overaward payments, motor mechanics are compensated for the acquisition of additional skills and knowledge acquired through post trade training.

I consider that such additional training and qualifications should be recognised in the hairdressing award. The provision of reward for such training and skill achievement through overaward payments in the motor

industry is partially a feature of the system of payments and also derives from the failure to complete the award classification process (in that two classifications apparently directed to post trade training and higher levels of skill have been reserved in the relevant Federal award) in that industry.

The failure to reward for additional skills acquired through training in hairdressing and beauty therapy, demonstrates that for both occupations there is undervaluation of work. The reference to enterprise agreements and overawards in other industries and occupations is a useful illustration of how skills enhancement is properly rewarded. Just as the Metal Industry Award is a relevant point of comparison in the assessment of relative skills in the Minimum Rates Adjustment process, so is a comparison with overaward payments compensating for post trade training useful in assessing an appropriate reward for skill enhancement

I stress that I am not concluding in this regard that the overaward payments in the motor vehicle industry would be directly applicable for the hairdressing industry, but that it may be appropriate to look at the approach to the setting of rates of pay in that industry (including that to the making of overaward payments which compensate for post trade training), in order to properly assess the value of work in hairdressing. I consider that this can be done as part of the wage fixing process as the Commission has historically made assessments of overaward payments both in relation to the operation of ordinary wage fixing principles (such as first awards and a work value principle) and the equal pay principles.

Distinctions are drawn by the Employers' Federation/Chamber (Ex 446 p 58) between the hairdressing industry and the motor industry. For example, it refers to the level of technological change, differences in capital costs, differences in industry structure, differences in labour markets and the length of training. These factors may be relevant in distinguishing whether it is appropriate to have regard to overaward payments in any particular case. However, there is no denying the approach to post trade training, both in overawards and in enterprise agreements, in the motor industry and this is a relevant consideration in itself. That is, there is a component of remuneration paid to motor mechanics based on compensation for skill acquired through post trade qualifications and not merely for market factors.

The Employers' Federation/Chamber also makes a submission as to incentive payments (Ex 446 p 55). It is sufficient to note that the evidence discloses that motor mechanics receive both overawards and incentive payments, whereas overaward payments do not generally apply in the hairdressing industry although some incentive payments are applied.

It is further submitted by the Employers' Federation/Chamber that the hairdressing trade is interesting to examine because it is only in about the last twenty years that it has changed from being male dominated. It is submitted that during that period the value of work has certainly not increased and may be diminished (Ex 446 p 56). This relies particularly

on the evidence of Mr Swan. However, I consider that Mr Swan was overly conservative in his assessment of changes in the work of hairdressers. In my view, there have been significant and ongoing changes in that occupation which are recognised, at least in part, in the upgrading of skills through the acquisition of post trade qualifications.

I have discussed the award history for hairdressers and I have noted that there was a gender basis for the assessment of rates of pay, at least in an early stage of the making of that award. Furthermore, I have noted the significant defect in the structure of that award which recognises only a single classification, omits any reference to a career path and does not adequately recognise greater acquisition of skills through training and qualifications. I have noted that the equal pay principles have not been fully applied to this award (see *Manuel CC*) (Ex 166 12/10/73) ).

More significantly, I consider that the setting of rates of pay in this female dominated area does exhibit many of the characteristics of a female dominated industry which create undervaluation.

As I have noted from the evidence, the industry consists mainly of small employers employing a young workforce with a high labour turnover.

There is a shortage of qualified staff. Union membership is low and there is a low level of industrial activity. There is a lack of regulation in the industry, particularly in relation to beauty therapists, and as I have already noted there is a lack of overaward payments and recognition for post



trade qualifications and skills, and, in the case of beauty therapists, recognition of trade qualifications and skills. As Ms Smith noted, there is a tendency to treat post trade training as maintaining the trade rather than deepening the trade, a tendency to the contrary of that exhibited in the area of motor mechanics.

There is a stark contrast with the male dominated motor industry. Contrary to the submission of the Employers' Federation/Chamber, the evidence, in particular that of Mr Taylor, was that the average age across the motor industry was 27, and in the passenger vehicle dealership area could be as low as 23. The industry loses about 30% of its apprentices during the 4 years of training. It loses another 30% within the first 2 years after completion of apprenticeships. That is, whilst there may be variations in the turnover rate for individual enterprises, workers, once settled in it, tend to stay in the motor vehicle industry whereas employees in hairdressing tend to leave. There is a low level of union membership in certain sectors of the motor industry but in other sectors of the industry it is extremely high. In the evidence before the Inquiry from one motor dealership there was a very high level of union membership. There is a high level of regulation and licensing in the industry and, as I have already discussed, there is substantial recognition of qualifications and training. Overawards are common in the industry. There are some enterprise agreements which recognise, amongst other things, post trade training. Overtime is a regular feature of the industry where it is desired by the employee. This is in contrast to the lack of overtime paid in the

hairdressing industry and indeed the non-payment for the performance of work out of hours in hairdressing (again a common feature of female dominated industries).

These differences between male and female dominated industries are discussed further in the section entitled "The Dimensions of Undervaluation".

Finally, I note that there was an attempt at one point during the Inquiry to compare the work of motor mechanics and hairdressers using competency standards. For the reasons I have given in the child care section I do not consider that this approach is particularly useful in drawing comparisons, and certainly was not so in the present case.

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## LIBRARIANS

### DESCRIPTION OF THE OCCUPATION

#### Introduction

The Inquiry examined the occupation of public sector librarians as against the male comparator of geoscientists employed in the Department of Mineral Resources. This occupation was nominated by both the Crown and the PSA, and was supported by the Labor Council and the ACM. The focus of the evidence called in support was upon the work performed by librarians in the State Library of New South Wales, and, in particular, a Senior Librarian Grade 2 compared with a Senior Geologist, that evidence being contained in a six volume Pay Equity Case Study: Librarians and Geologists, February 1998 authored by Ms Di Fruin. (Exs 132-137)

The State Library, which was previously known as the Public Library of New South Wales, and also as The Library of New South Wales, originated in the Australian Subscription Library which was established in 1826 by a group of prominent colonists. It is described as:

The first library of any size in New South Wales which could be called a separate and distinct institution and not simply a private library or incidental adjunct to other functions of some institution ...

(Ex 133, Tab 5, page 7)

Membership of the Australian Subscription Library was by subscription and this was not a true public library open to all.

Following financial difficulties encountered by the Australian Subscription Library, the Government took over the book stock and recreated the subscription library as the Sydney Free Public Library. Although these nineteenth century libraries employed librarians, the incumbents of such positions were generally under the direction of committees, and exercised little control or discretion in the purchase of books or the running of the library.

According to Encel, Bullard & Cass in their influential work

Librarians: A Survey (1972):

The 1890's,[sic] a period of extensive social change, saw the movement of libraries away from the status of philanthropic institutions devoted to uplifting the masses into a function closely linked with the expansion of education. It is also the period when the library profession, as a profession, was born.

(Ex 133, Tab 5, p 13)

The librarian profession as a whole is female dominated, in that 86 per cent of workers are female (Ex 133, Tab 4, p 8). Other factors relevant to the profession as a whole and, as demonstrated by the evidence to apply at the State Library, are that librarians tend to be:-

- (i) highly qualified;

- (ii) it would appear highly unionised; and
- (iii) engaged in a stable work environment both in terms of low rates of turnover and in terms of being engaged under industrial instruments that preserve stability and tend not to encourage or reflect casualisation of the workplace. (Ex 133, Tab 4, p 10; Ex 132 p 20)

## STATE LIBRARY OF NSW

### Current Operation of the State Library of New South Wales

The Library currently offers a number of general and specialised services. It has over four million items in its collection ranging from books, magazines and newspapers through to rare and historical items such as maps, diaries and photographs. In addition, the Library has CD ROM and other data bases and access to the Internet.

The State Library is open seven days per week: 9 a.m. to 9 p.m. weekdays, and 11 a.m. to 5 p.m. on weekends. In 1996/97 1.2 million clients visited the Library and over 800,000 enquiries were handled on site. In addition, there were 1.5 million hits on the Library's web site between July and December 1997.

The State Library also has responsibility for administering grants or subsidies to public libraries throughout New South Wales.

The requirement for libraries, as with other public and private sector organisations, to work to performance targets, has seen the State Library not only meet and exceed its performance requirements consistently over the last few years but, itself become a benchmark to which other libraries look when measuring their performance.

The State Library employs approximately 6.2 per cent of librarians employed in New South Wales, with the public sector as a whole employing 70 per cent of all librarians. (Ex 132 p 11)

In New South Wales approximately 7,000 people work in library occupations with approximately 3,800 of those classified as librarians. Of those 3,800 librarians, 3,400 (or 89.5 per cent) are women. (Ex 132 p 11)

Other areas of employment for librarians within the state library system include government special libraries, state schools, universities and local government. The librarians employed in the private sector are mainly engaged in private company libraries and private schools. (Ex 132 p 11)

#### Historical Role of the State Library

In an interview recorded shortly before her death Miss Jean Arnot, who was employed at the Library between 1921 and 1968, gives extensive

evidence of the importance of the State Library in servicing a whole range of individuals and organisations (Ex 266). Some examples include the newspaper room with the State Library being the only place with old copies of newspapers; (Ex 266B p 2), public demand for a particular book otherwise unavailable - for example during the Depression when a particular book on prospecting was much sought after and it was necessary to impose time limits on the use of the book; and during the Second World War when American servicemen used the Library and in particular sought out American nature books, such as *Birds of America* (Ex 266B p 3).

In addition the Library was used by writers, politicians and judges. The Library's collections were enhanced by the personal actions of the librarians such as Miss Arnot in obtaining, for example, manuscripts and diaries of writers. (Ex 266B p 4)

Miss Arnot also gives an account of the important contribution of the Library to the work of industry in New South Wales and, in particular, the work of the Research Department in providing documents such as the British Standards and subsequently the Australian Standards. (Ex 266B p 5)

The Library was also important for university students, in particular in the immediate post War period. The utility of the State Library was enhanced by its opening hours which included staying open until 9 o'clock at nights and opening on weekends.

The librarians at senior levels such as Miss Arnot also attended international conferences and were awarded grants or scholarships for the purposes of furthering their librarianship studies in Britain and America. As a result of these trips, Miss Arnot spent a year establishing libraries in gaols and juvenile detention centres throughout New South Wales, on her own evidence leading to enhanced rehabilitation prospects for inmates. (Ex 266B p 19, 22, 23 & 24)

#### Employment at the State Library

The State Library employs a total of 158 librarians comprising 131 full time, 27 part time and 34 temporary employees. Of the full time employees 96 are female and 36 male while of the part time employees 24 are female and 2 are male (Ex 143). No evidence was put to the Inquiry as to the gender of the temporary employees, or the nature of their engagement. Indeed, the case study by Ms Di Fruin which was put to the Inquiry does not refer to the temporary employees at all.

Overall permanent librarians employed at the State Library are 76 per cent female, 24 per cent male.

Since 1980 it has been the policy of both the State Library and the Department of TAFE to appoint only graduate librarians. (Ex 375, Attachment 4, p 2 )



To gain entry to a professional librarian position at the State Library, a person must have completed either a three year bachelor degree in librarian studies, or alternatively a 3 year tertiary degree together with a post graduate qualification in library science and information management. Persons recruited directly from university commence on the second year salary scale. (Ex 132 p 18)

The State Library is the largest single employer of professional librarians in New South Wales. (Ex 145 para 6) This contrasts with the situation applying in the profession generally where smaller workplaces of between one to five librarians are more common. (Ex 132 p 12)

In relation to unionisation, the librarians have had their own vocational branch in the Public Service Association since 1948. Ms Good gave evidence that the Branch has maintained a prolonged interest in the issue of "Equal Pay", the recognition of the profession of librarianship and the payment of professional salaries (Ex 138). Although membership figures were not provided it appears that unionisation is comparatively strong.

Librarians employed at the State Library are employed across several divisions as follows:

- (i) Information Technology Division;
- (ii) Australian Research Collections and Collection Services Division;
- (iii) Library and Information Services Division (Incorporating Specialist Collections and Services); and

(iv) Education and Client Liaison Division. (Ex 145 p 2-3)

Employment at the State Library is characterised by low turnover rates of staff. This is demonstrated in the evidence of Ms Schmidmaier, (Ex 145 Annex B2) which indicates that a total of 35 librarians (or more than 20 per cent) have been in the same positions since at least 1991. A further 19 have held the same positions for at least the last five years, while a further 30 have held the same position for between twelve months and five years. The stability of staff at the State Library is equally reflected in 1960 when the great majority of persons holding positions above the librarian grade had been employed at the Library five years previously in 1955 (Ex 162). The low turnover rates and high stability is consistent with the conclusion of the ACCIRT report *Profile of Australian Library Workers 1998* prepared for the Australian Library and Information Association (Ex 133 Tab 4). It is different, however, from the conclusions of Encell, Bullard & Cass (Ex 133, Tab 5, p 33) who found in their historical analysis a high level of turnover amongst librarians overall. The descriptions of librarians in that paper, however, suggests that the figures relating to high turnover amongst younger women may relate more to municipal libraries, which account for 46.9 per cent of all librarians in that survey, than to the State Library specifically which appears to have had a long history of high rates of staff retention.

## DISCRIMINATION AND THE EMPLOYMENT OF FEMALES AT THE STATE LIBRARY

While the Terms of Reference of this Inquiry are focused on the question of valuation, specifically undervaluation, of work performed in female dominated occupations and industries, the Librarians' Case Study focuses on issues of discrimination against (female) librarians. I will deal with the importance of the distinction between concepts of 'equal remuneration' and of 'discrimination' in later sections. A number of factors appear to contribute to this focus including the following:

1. Male domination of the position of Principal Librarian;
2. The examination of the State Library by Encel, Bullard & Cass; and
3. The vocal activity of Miss Jean Arnot highlighting inequality of pay and other gender related issues at the State Library.

Each of these issues are considered in turn below.

### Principal Librarian

A noteworthy feature of the history of the State Library is the influential role of the persons appointed to the Principal Librarian position. From 1893 until 1906 Henry Anderson, described by Encel, Bullard & Cass as a public servant "with a high sense of public duty" and "a commitment to free and public education", developed the Library as a centre of research and learning for the

use of university students as well as building up numerous collections and developing a reference service of information to business and industry. (Ex 133, Tab 5, pp 16-17)

From 1912 until 1942 W H Ifould held the position of Chief Librarian. Mr Ifould extended and refined the position of the Public Library as providing a service to industry as well as consolidating and developing a country reference section. Mr Ifould also was able to gain significant control over the processes of appointment and employment of staff in the library, which appointments came to be made through the Public Service Board instead of through the Trustees of the Public Library. (Ex 133, Tab 5, pp 27-28)

From 1942 until 1959 John Metcalfe held the Principal Librarian position. He was succeeded by G D Richardson.

A provision in the Schedule to the 1947 Agreement covering the State Library refers to Mr G D Richardson, a library assistant identified as a non-graduate, but who was evidently in receipt of an allowance prior to the 1947 Agreement coming into force, and for whom an arrangement is made to make further provision of an allowance to provide a total remuneration of 525 pounds. This remuneration equates with the senior librarian assistant Grade 2 level, which level is meant to require satisfaction of Regulation No. 329A. It may be inferred that Mr Richardson was in training at the time of this agreement although there is no statement to that effect in the schedule. Certainly by 1960, G D Richardson, who was first appointed to the public service in April 1934, had

obtained his Master of Arts. He had also been promoted to the position of Principal Librarian.

The first female appointed as Principal Librarian was Ms Alison Cross who was appointed in 1989.

Given the particular nature of the State Library and the close working relationship and high stability of staff within that area, it appears likely that the Principal Librarian exerted considerable influence over the working conditions. In this regard it could be anticipated that perceptions or reality of a Chief Librarian not liking women would be likely to affect the perceptions of discrimination at the workplace. Mr Metcalfe was identified by Miss Arnot as not liking women particularly (Ex 266 p 24). In addition, while saying that Mr Richardson had many strengths, Miss Arnot described actions of Mr Richardson which suggested to her some degree of disregard for female senior staff. (Ex 266 p 24)

The interview with Miss Arnot indicates a sense of injustice based on discrimination dating back to Mr Ifould's control of the library. Miss Arnot's evidence is that in fact Mr Ifould did not discriminate against women, contrary to the assertion in the Encel, Bullard & Cass article that suggested Mr Ifould "never ceased to believe that higher positions could only be filled by properly trained males" (Ex 133, Tab 5, p 25). That article also states that Mr Ifould also resisted female recruitment more generally, citing letters from Mr Ifould to a newspaper in 1902, and stating: