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The Adjustment of the Australian Railways Unions to Dieselisation, 1955 - 1960

A thesis submitted in partial satisfaction of the requirements for the degree Master of Arts in Economics

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ABSTRACT OF THE THESIS

The Adjustment of the Australian Railways Unions to Dieselisation, 1955 - 1960

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This thesis is a study of how the Australian Railways Unions adjusted to the partial dieselisation of the New South Wales Government Railways during the period 1955 - 1960.

The New South Wales Government Railways is the largest public or private industrial organization in the Commonwealth of Australia. It is administered by a Commissioner of Railways who is responsible to the Minister of Transport. The Railways employed, on an average, 52,000

workers during the years 1955-1960. All permanent members of the Department were required to be union members. Industrial disputes are settled by the traditional Australian method of compulsory arbitration.

During World War II and immediately after the Department of Railways was beset by labor and capital shortages which required many cancellations. Also during these years intermodal competition, particularly the more flexible private trucking operation, increased greatly. The New South Wales Government attempted to protect its investment via restrictive licensing practices, etc.; however, in 1954 these measures were largely declared unconstitutional. During 1955, over one-third of the Department's permanent track was wiped away by severe flooding.

The cumulative effect of all these factors led the Department to seek a method by which the New South Wales Government Railways could be made competitive. They seized upon the most immediate solution - dieselisation. Between 1955 and 1960, approximately 20% of the line was dieselized.

The introduction of diesels has a two-fold effect upon the demand for labor: (1) It decreases the aggregate demand for workers, and; (2) It reduces the skills needed to perform the job operations.

The interaction between labor and management, regarding the effects of dieselisation and related changes is

studied in some depth. In this study particular attention is given to the fact that all such interactions take place within the constraints of an overall system of industrial compulsion.

CHAPTER I

INTRODUCTION TO STUDY

Outline

The causes and effects of partial dieselization of the New South Wales Government Railways upon labor relations within that industry are investigated in this thesis. It is primarily a study of the events that caused the Railways to dieselize and of the adjustment of the unions, management, and the arbitration system to this change. This study covers the period 1955-1960, for while diesels have operated in New South Wales since 1937, it was during these years that approximately one-fifth of the line was dieselized.

Information for this study utilized the following source material: (1) direct questionnaires to labor, management, members of the Commonwealth Conciliation and Arbitration Commission, and associates of the New South Wales Industrial Tribunals; (2) empirical research into such primary source materials as State and Federal Awards, Industrial Court Inquiries, union documents, the contemporary New South Wales Press, Railway journals, and official government publications.

The Problem Stated

Diesel locomotives have changed the industrial environment from that occurring when steam locomotion is used.

The job content associated with the operation of a locomotive has been drastically reshaped by the use of diesel power. These effects have manifested themselves in: (1) decreasing the aggregate demand for locomotive crews by making the coal tendering position obsolete and making it possible for one crew member to operate multiple engine hook-ups; (2) reducing the skills needed to operate a locomotive, and; (3) obviating many of the logistic operations needed in the servicing of steam locomotives, such as elimination of water pumpers and intermediate depot maintenance men.[1] Such changes, striking as they do at job security and consequently the source of union strength, further emphasize areas of disagreement between labor and management.

The potential effect of dieselization upon the demand for labor is more clearly seen when it is realized that a 1957 estimate suggested that approximately 350 diesel electric locomotives could efficiently replace the then 1200 steam locomotives and all of their support facilities.[2]

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[1]New South Wales Industrial Commission of: Inquiry into Recent Mechanization and Technological Changes in Industry and Other Matters, Coram Richards J. (Industrial Court Evidence, pp. 877-1603, 19th October to 7th December) Sydney, 1959.

[2]Report by Ebasco Services Incorporated, A Study of Department of Railways and Department of Government Transport, A.H.Pettifer, Government Printer, Sydney, 1957, p.64.

The Problem Analysed

Steam locomotives utilize the energy of superheated steam. The energy supplied by the burning fuel, either oil or coal, is transferred to the water surrounding the fire box, thereby transforming the water into superheated steam. This steam provides pressure in the cylinders to drive the pistons, which in turn drive the wheels via the driving rods. Diesel locomotives have approximately a 3 to 1 input-output efficiency ratio over steam locomotives. Further, a steam locomotive must carry a large amount of fuel and water to generate traction. The operation of this type locomotive requires that the energy inputs be continually replenished at tender depots for both coal and water. In addition, the waters of New South Wales contain a number of incrusting elements, such as silica, iron carbonate, alumina, calcium carbonate, manganese carbonate, and manganese sulphate, which, after heating, form a permanent scale on the insides of the steam boiler. This makes it necessary for the steam locomotive to undergo frequent and extensive overhauls.[3]

Diesel locomotives are of two types: (1) pure diesels and (2) diesel electric locomotives. Pure diesels are

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[3]Industrial Commission, Evidence by H.V.Heard, Engineer, Department of Railways, op. cit., pp. 1254-1266, particularly p. 64.

those locomotives in which the power is transmitted directly from the diesel plant, via a system of gears, to the driving wheels. In diesel electrics the diesel plant is used to supply energy to an electric generator. This in turn operates an electric motor which supplies energy directly to the driving wheels. More speed or power is supplied by increasing the energy available to the generator, which in turn increases the speed or power of the electric motor. This method eliminates gears, which are considered inefficient, especially in the larger vehicles.[4]

In the New South Wales Government Railways, steam locomotives and their parts were rebuilt almost entirely within the Department's own workshops. Diesel parts are generally supplied by the manufacturers. Many diesel manufacturers would prefer that rail employees retained on the engine make no effort to adjust the mechanism. Boilermakers are not required for diesel maintenance or repair operations, however, the need for electricians and diesel mechanics is greatly increased.[5]

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[4] Ibid, p. 1051.

[5] Ibid, Dr. Lloyd Ross, Secretary, New South Wales Railways Union, p. 1046.

On a steam engine a fireman is absolutely necessary, for he fuels the fire and assists the driver in locating signals. In contrast, a diesel operates much like an automobile requiring only a driver. Another major operating advantage of diesel engines is that they can be joined together in tandem and directed from one cab which eliminates the need for a crew in each cab as is the case with steam locomotives.

Conditions within the diesel cab are considerably more desirable for the crew than those within the cab of a steam locomotive. Steam locomotives are hot and dusty, and the firemen are forced to continually shovel coal from the trailing tender to the fire-bed. On the Sydney to New Castle run, for example, five tons of coal would be needed in a little over four hours. Considerable skill is needed to lay the coal correctly in the fire bed. Diesels have hot plates and toilets. Neither of these amenities were provided on the Department's steam locomotives.[6]

In conclusion diesels are more powerful and are thermodynamically more efficient than steam engines. Other economies are wrought by reducing the need for firemen, multiple crewing on tandems, intermediate watering and coaling facilities and their staffs, along with the major country support installations needed for trunk line travel.

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[6]Interview with New South Wales Government Railways Industrial Officer, C.V.May, October 5, 1962.

Summation

In sum dieselization results in:

(1) An average increase in productivity per employee.

(2) An overall reduction in the number of employees.

(3) Relocation of railway staffs, especially those formerly employed at water pumps, small maintenance depots, or division points.

(4) Changes in the skills needed by drivers, maintenance men and other workshop employees.

The above four points only briefly cover the realignment in job structures resulting from the introduction of diesels. The effects go much deeper, affecting many segments of the traditional railway system, all the way from decreasing the demand for coal to disrupting the economies of "rail towns" formerly dependent upon railway installations.

Chart number I-1 is presented to compare the relative efficiencies of the two different type locomotives. The tremendous overall economies derived from using diesels is well illustrated by reference to this chart.

CHART NO. I-1

ECONOMICS OF STEAM AND DIESEL LOCOMOTIVES[7]

1960 Statistics

	DIESELS ("S" Class)	STEAM ("R" Class)
Weight	116 tons	180 tons
Load up	780 tons	365 tons
Bank run (13 miles 1/48)	48 minutes	67 minutes
Maintenance cost per mile	9 d.	52 d.
Fuel/mile	1,33 gallons (23.3 d.)	1 cwt. (81 d.)
Capital cost	120,000	90,000
Mileage	1-1/4 million miles in 7-1/2 years 1-1/4 million miles before major examination	1-1/2 million miles in 28 years

[7]Research Services of Sydney, Economics of Steam and Diesel Locomotives, Sydney, 1960, p. 21. It would be impossible to compare all the different type locomotives; however, this comparison of efficiencies does illustrate the advantage that diesels do have over steam locomotives.

state awards must be in excess of the basic wage fixed by the Federal Arbitration Court, while awards that are not consistent with Federal awards are overruled by the Federal awards.[41]

It may not be out of order, in closing this discussion of the Australian arbitration system, to quote Sydney and Beatrice Webb, who have described it as "an effective panacea for strikes and lockouts."[42] It seems only fair to add, however, that many labor economists have not been as enthusiastic as the Webbs. A review of union attitudes discovered through a direct questionnaire unearthed considerable discontent among many union officials regarding the rigidity of the system. However, the Railway management expressed satisfaction with the compulsory system.[43]

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[41]Kearney, op. cit., pp. 8-9.

[42]Sydney and Beatrice Webb, Industrial Democracy, London, 1902.

[43]See Chapter 5, "Union and Management Attitudes." Also see Appendix for source material for Chapter 5.

CHAPTER III

ECONOMIC AND INSTITUTIONAL DETERMINANTS OF DIESELIZATION IN THE NEW SOUTH WALES GOVERNMENT RAILWAYS

This chapter will investigate the factors that caused the government of the New South Wales to initiate an accelerated program of dieselization during the period 1955-1960.

The four determinants of change were: (1) inefficient management procedures; (2) equipment deficiencies; (3) wage determination unrelated to job costing, and (4) intermodal competition that had been added by a Privy Council decision of 1954 deregulating the private interstate truckers.

Managerial Performance

It is possibly unfair to compare managerial efficiencies of a declining industry with more virile sectors of the economy. To avoid this dilemma and to assist in evaluating the performance of the Department's management, comparisons will be made between some aggregative rail coefficients in New South Wales and North America.

Prior to 1955 and up to and including the fiscal year 1956/57 the number of employees per track mile in New South Wales exceeded the "average" number per track mile in Canada or the U.S. In comparing both gross ton

miles and net ton miles carried per employee, it was noticed that the North American average was far better than that obtained in New South Wales. However, with reference to other Australian systems the NSWGR were rated more efficient, using this criteria, than any of the other state systems.

By 1957, the average tractive effort per NSWGR locomotive was 50% of the average found in North America. Also, the average NSW freight wagon had only 40% the capacity of wagons used in Canada and the U.S.[1]

Ebasco, the U.S. based efficiency firm hired by the NSW government to review its transport system, commented: "As a result of this comparison and from observations of much of the Department's operating methods and procedures, we are of the opinion, that considerable opportunity for improved operating performance exists in mechanization of operating functions and continual improvement in operating methods."[2]

The difficulties of the NSWGR become more obvious when it is noted that their more efficient American counterparts, working within the framework of the ICC administered land-carrier-cartel, were also experiencing an irreversible

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[1] Report by Ebasco Services, op. cit., p. 14.

[2] Ibid., p. 26.

decline.[3] Like the United States, the railways of New South Wales have had to face the competitive onslaughts of a flexible, competitively priced, trucking industry. In both countries passenger traffic has largely been diverted to private automobile and commercial air carriers.

Capital Equipment Deficiencies

During World War II the New South Wales Government Railways contributed substantially to the Australian war effort by carrying the men and material vital to national defenses. Besides this heavy war commitment, the Railways still attempted to fulfill many of their peace-time functions.

In this protracted war period, 1939-1945, the New South Wales Government Railways minimized their expenditure on new equipment replacement of older equipment. In the immediate post-war years Australia experienced a shortage of hard currency necessary to purchase needed capital replacements. This was reflected in the lack of vital heavy equipment necessary to restore the railways to the relative pre-war efficiency.[4]

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[3]Two articles of particular significance on this point are: (1) George W. Hilton, Barriers to Competitive Rate Making, Interstate Commerce Commission Practitioners Journal XXIX (1962), 1083-1096, and George W. Hilton, Experience under the Reed-Bullwinkle Act, XXVIII (1961),1207-14.

[4]See Ebasco Report Part 1 - Summary and Part 2 - Discussion, pp. 1-26.

In 1949 it was estimated that the rolling stock was 10% deficient on what was necessary to handle the services offered by the Department of Railways. The most acute deficiencies were in locomotives and livestock wagons. While the actual tonnage carried by the system had increased by 39% in 1947/1948, over that carried in 1938-1939, the railways had less motive power available by which to haul this increased business. Reference to the following Chart No. III-1 will make this point more apparent.[5]

CHART NO. III-1

LOCOMOTIVE AND GOODS WAGONS[6]
OF THE NEW SOUTH WALES GOVERNMENT RAILWAYS
1938/1939 and 1947/1948

	1938/1939		1947/1948		% Change	
	No.	Cap.	No.	Cap.	No.	Cap.
Steam Locomotives	1,279	35.5	1,159	32.9	-10%	- 7%
Open Wagons	17,614	285.1	18,811	329.7	+ 7%	+16%
Livestock Wagons	3,013	19.1	2,915	18.3	- 3%	- 4%
Louvred Wagons	1,174	18.7	1,161	20.3	- 1%	+ 9%
Refrigerator and Other	1,032	5.6	1,301	8.9	+26%	+59%
Total Goods	22,833	328.5	24,188	377.2	+ 7%	+15%

[5] Research Services of Sydney, Rail and Road Transportation Services in New South Wales, Sydney, July 29, p.1.

[6] Ibid., p.7, Table IV.

The over-all deterioration of the New South Wales Government Railways in the early post-war years is evidenced by the fact that in 1947 service cancellations had increased by 300% over pre-war figures. The following Chart No. III-2, for the three year period 1948/1949 - 1950/1951, illustrates why many such cancellations were necessary. While many cancellations were because of the lack of capital equipment, Australia during the post-war period until 1961 struggled with an oversupply of jobs and an undersupply of labor.[7]

CHART NO. III-2

CANCELLATIONS OF GOODS WAGONS[8]

Reason for Cancellations	Number of Cancellations		
Shortages of:	1948/49	1949/50	1950/51
Locomotives	1,287	1,746	3,333
Break Vans	4	29	17
Train Crew	39	278	1,123
Fuel	4	17	111
Derailments	4	-	41
Totals	1,334	2,070	4,525

[7]Further reference to Table III-2 will indicate that the problems arising from labor shortages accounted for an increasing amount of the cancellations. Also see Research Services of Sydney, op. cit., p.2.

[8]Ibid.

By June of 1956, 980 of the Department's 1,187 locomotives were considered to be contemporaries of the Model "T" Ford automobile. Some of the locomotives still in operation at this time were from 60 to 70 years old. This resulted in tremendous maintenance expenses, especially when the average operator life of a steam locomotive is approximately 15 years.[9]

The "G32" passenger locomotive engine, of which there were 191 in used in 1956, had been designed in 1891. All original "G32's" purchased by the New South Wales Government Railways were still operating in 1956. The "D50-53-55" class general purpose locomotives, of which the Department was operating 500 in 1956, were designed in 1896. By 1956 this class of locomotive constituted nearly 50% of the Department's locomotive fleet. The "170", "C30", and "C35" engines, all designed before 1914, were also operative in 1956.[10]

The ineffectiveness of this obsolete fleet of locomotives is witnessed by the fact that the average speeds of the Department's main lines averaged between 24 and 30 miles per hour. Chart No. III-3, "Main Line Trips and Time Elapsed," illustrates the inadequacy of the services being offered at this time. It is of interest to note here, that it would have been, and in fact was, easy for road carriers

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[9] Sydney Morning Herald, June 28, 1956, p. 2.

[10] Ibid.

to eclipse the speed of the locomotives on any of these trips and, hence, offer a more expeditious service.[11]

The great floods of 1955 seriously damaged over 20000 miles of track (one-third of the total), and many support installations. Many cancellations resulted directly from this disaster causing traffic to be switched, often permanently, to private trucking operations, the domestic automobile, and commercial airlines.[12]

Wage Structure

Wages in the New South Wales Railways are related to factors completely outside of the industry. The majority of unions, those under Federal awards, have their wages determined by the Federal Arbitration and Conciliation Commission while the State tribunals used the Federal award as a guide line onto which they add an automatic adjustment.[13]

It is difficult to assess what part these automatic and unrelated changes in the wage structure had upon initiating dieselization. However, the pattern of setting wages on a national prosperity criteria, rather than each individual industry's ability to pay, especially in the case

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[11] Ibid.

[12] Report of the Commissioner of Railways 1955, op. cit., pp. 10-18.

[13] See Chapter II, Grievance Mechanism, for a fuller discussion of how wages are determined.

CHART NO. III-3

1956 MAIN LINE TRIPS AND TIME ELAPSED[14]

NEW SOUTH WALES GOVERNMENT RAILWAYS

Train and Particulars	Average Speed
Northern Tablelands Express, 11¼ hours, for 360 miles	30 mph
South Coast Daylight Express, 3¼ hours, for 95 miles	mph
Brisbane Express, 20¾ hours, for 613 miles	29 mph
Central West Express, 9¾ hours, for 276 miles	28 mph
Cowra Express, 8⅓ hours, for 227 miles	27 mph
Glenn Innes Express, 16⅓ hours, for 423 miles	26 mph
Moorec Mail, 15.9 hours, for 413 miles	26 mph
Cooma Mail, 10½ hours, for 268 miles	mph
Bourke Mail, 20 hours, for 512 miles	25½ mph
Forbes Mail, 12 hours, for 296 miles	mph
North Coast Mail, 23 hours, for 580 miles	mph
Mudgee Mail, 8¾ hours, for 191 miles	25 mph

[14] Sydney Morning Herald, op. cit., June 28, 1956, p.2.

of a declining industry - beset with great problems, almost certainly acted as a strong incentive to reduce or stabilize such wage costs. An innovation like dieselization that could reduce the number of workers and thereby alleviate wage pressures would certainly appear an attractive alternative to a trained management.

Between 1939 and 1948 wages paid to employees of the Department increased by 65% and during the same period the cost for stores and materials rose 117% while the price of coal increased by 77%. Further reference to Chart No. II-6 will illustrate how variable cost increased during this period.[15]

INTERMODAL COMPETITION

Motor Transport

Between 1950 and 1960 the number of motor vehicles in New South Wales roads increased from 943,925 to 2,015,212. This represented an increase of over 100% in the ten-year period. Lorries, utilities, vans, station wagons, and other commercial or neo-commercial vehicles increased from 159,226 in 1950 to 310,583 in 1960, again, an increase of approximately 100%, or an average gain of 10% per year. These increases meant that more desirable alternatives existed to

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[15] Research Services of Sydney, op. cit., p.2.

the slow irregular rail services then available. Chart No. III-4, "Motor Vehicle Registration in New South Wales," details the significant increase in vehicle registration during the period 1950-1960.[16]

Comparative Costs

Rail transport is able to achieve lower operating costs on lines which are heavily trafficked. This is because a great percentage of all railway costs are fixed. Also, the cost per ton-mile of rail transport diminishes as the distance increases. The cheapest rates are achieved at distances over 150 miles.[17]

Road transport also achieves lower cost as the distance increases. Moreover, road transport is able to deliver goods from point-to-point, an important advantage over rail transport. Actually, at a distance of 100 miles, road transport is able to reduce costs below the cost for rail transport, except on heavily trafficked rail lines.[18]

In New South Wales where the average passenger and freight journey is less than 100 miles and where, with the

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[16] Official Year Book of New South Wales, 1961, op cit., p. 410.

[17] Australian Transport Advisory Council-Report of Committee of Transport Economic Research Relating to Road and Rail Transport - Part II - Railways Cost and Coordinating Summary, February, 1958, E.B.Hall, Chairman.

[18] Ibid.

CHART NO. III-4

MOTOR VEHICLES REGISTERED* IN NEW SOUTH WALES[19]

At 30th June	CARS		Tourist Vehicles	Omni-buses	Lorries, etc.**	Total of Foregoing	Motor Cycles & Scooters	Tractors***	Trailers
	Taxicabs, Hired Cars	Other							
1939	3,275	213,331	99	1,430	76,726	294,864	24,151	1,035	6,414
1950	3,735	269,250	145	3,254	159,226	435,610	42,461	5,404	24,840
1951	4,159	308,294	149	3,363	181,529	497,494	46,851	6,679	28,131
1952	4,474	338,640	142	3,429	196,295	543,980	47,552	7,771	31,429
1953	4,471	360,573	123	3,417	199,878	588,434	43,100	8,622	34,173
1954	4,446	393,951	110	3,457	210,142	612,105	42,431	10,176	37,853
1955	4,524	437,372	111	3,366	223,767	648,349	39,787	12,105	42,356
1956	4,564	478,833	105	3,586	238,823	725,911	37,039	13,471	48,117
1957	4,611	511,330	100	3,685	251,795	771,521	35,567	16,682	54,863
1958	4,588	549,980	81	3,849	246,414	824,832	34,981	16,318	62,399
1959	4,601	585,091	82	3,997	296,616	880,387	32,575	17,622	70,176
1960	4,805	623,467	78	4,171	310,583	942,904	28,773	19,165	81,476

*Excludes vehicles of the Defense Services
**Lorries, utilities, vans, station wagons, etc.
***Tractors, used solely on farms are not registered.

[19] Op. cit., p. 410, Table 373.

exception of the urban transit systems, the lines are sparsely travelled, road transportation enjoys a considerable cost advantage.[20]

Air Transport

Between 1950 and 1960 the number of passengers flying on interstate commercial airlines increased from 687,806 to 1,208,998. Intrastate air travel also increased substantially during the same period from 152,632 to 345,723. The freight tonnage carried on interstate flights in 1950 amounted to 19,463 tons and in 1960 this amount was 21,111. Intrastate air cargo, in the same time period, jumped by over 280% from 1,330 tons to 3,194 tons carried. The increasing utilization of the airplane as a carrier medium in New South Wales can be evidenced in the following chart, Chart No. III-5. Additional air-services increased the elasticity of demand for rail services. Chart No. III-5 further shows the breakdown of air-services provided in NSW from 1950 to 1960.[21]

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[20] Op. cit., p. 74.

[21] Official Year Book of New South Wales, 1961, op. cit., p.429.

CHART NO. III-5

NEW SOUTH WALES: INTER AND INTRA-STATE AIR SERVICES[22]

Year Ended 30th	Miles Flown (Thous)	Revenue Passengers	Revenue Passenger-miles (Thous)	FREIGHT		MAIL	
				Tons (gross)	Ton-miles (Thous)	Tons (gross)	Ton-miles (Thous)
			INTERSTATE SERVICES				
1950	14,314	687,806	288,418	19,463	8,913	1,429	654
1951	15,644	753,890	317,758	21,296	10,274	1,002	458
1952	15,844	809,547	337,264	18,826	9,289	796	377
1953	14,587	753,374	312,522	21,962	10,961	918	433
1954	15,001	774,479	328,409	27,115	12,975	990	477
1955	15,370	848,097	366,766	27,819	13,878	1,088	545
1956	15,990	904,661	399,803	28,700	14,592	1,206	592
1957	16,397	999,458	449,703	26,279	13,958	1,248	633
1958	15,653	998,895	455,208	23,714	11,958	1,317	671
1959	14,784	1,009,675	459,771	19,652	9,609	1,224	628
1960	15,615	1,208,998	527,895	21,111	10,183	2,476	1,207
			INTRASTATE SERVICES				
1950	2,520	152,632	29,181	1,330	283	21	4
1951	2,537	173,085	32,240	1,544	362	21	4
1952	2,683	189,763	36,718	1,236	313	17	3
1953	2,641	194,175	37,084	1,774	416	23	5
1954	3,192	213,716	44,183	2,534	618	33	12
1955	3,696	247,721	51,696	3,635	857	44	15
1956	3,638	238,718	50,978	3,632	872	39	14
1957	3,327	254,182	55,615	3,005	792	44	14
1958	3,281	280,824	61,867	3,099	803	47	16
1959	3,625	319,830	66,701	3,181	785	52	15
1960	4,026	345,723	73,739	3,194	796	199	50

[22] Ibid., Table 380.

Political Pressures

Prior to 1955, and for some time after, the Department of Railways and the State Government of New South Wales, were continually subjected to criticism (mainly voiced through the local press and by members of the opposition parties in Parliament) regarding the poor services provided by the New South Wales Government Railways. While some of the criticism was no doubt politically biased, much of it was genuine.

Members of the Labor Government undoubtedly felt that further adverse criticism regarding the Railways would be reflected at the electoral polls. It would be pure speculation to attempt to make any definitive judgment as to what role politics played in the introduction of dieselization changes. It would certainly be true to say that the role of politics in these decisions was indeed substantial, but because of the nature of politics, the true facts concerning the political play will probably never be known.

Countering pressures to reorganize and re-equip large segments of the railways probably lurked the fear by the Labor Government that the union movement would resist such changes. The state parliamentary Labor Party undoubtedly took cognizance of the substantial involvement of the labor movement in the New South Wales Government Railways and the traditional resistance of labor to new technological changes.

Judicial Intervention as a Determinant of Dieselization

On November 17, 1954, the Judicial Committee of the Privy Council held that part of the State (New South Wales) Transportation (Coordination) Act of 1931-1951 contravened Section 92 of the Federal Constitution when applied to interstate carriers.[23]

The State of New South Wales had pursued the policy, prior to this decision, of issuing licenses for all trucking operations conducted over more than a comparatively short distance. Under the Act of 1931-51 the licensing authority had absolute discretionary powers to refuse a license or to impose, as a condition for getting a license, certain fees upon the trucker. It might be argued that under these conditions the Railways, being a public enterprise, were given a statutory monopoly.[24]

The Judicial Committee in 1954 held that the imposition of fair charges on interstate motor transport would not be invalid but that instead the requirement of obtaining a license, the issuance of which was completely discretionary, was invalid. Section 92, of the Federal Constitution, which the State Government was accused of violating, reads: "On the composition of uniform duties of customs, trade, com-

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[23] Australia in Facts and Figures, Department of Trade, Canberra, December Quarter 1954, No. 44, p.76.

[24] Ibid.

merce, and intercourse among the state, whether by means of internal carriage or ocean navigation shall be completely free."[25]

The decision of the Privy Council to hold parts of the New South Wales Act unconstitutional came as the result of an appeal by Hughes and Vale Pty., Ltd., against an earlier ruling by the Supreme Court of Australia that the Act as it stood was constitutional. However, in passing upon this matter, the Privy Council, did not enunciate any new principles of constitutional law, but only settled a long standing controversy by holding that the ordinary rules of interpretation of Section 92 also applied to transportation.[26]

Immediate Results of Judgment

In the Annual Report of the Commissioner of Railways, June 1955, it was stated:

> The Department's revenue is being adversely affected to a marked degree by the consequences of the Privy Council's decision in November, 1954, that legislation providing for the licensing and taxation of interstate road vehicles was unconstitutional. Much goods traffic is being diverted from the railways by unrestricted competition by interstate road vehicles that is now allowed, and the Department's finances will continue to deteriorate until some satisfactory solution is found to the existing condition. It is desired to point out that the competition is

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[25] Ibid. [26] Ibid.

> unfair because the interstate road haulers are operating with certain advantages while the Railways is operating under certain disadvantages. For instance, the haulers are not common carriers and as a consequence can select the traffic they desire to carry and reject the lower rated traffic. They also are operating on advantageous terms to the extent they are not contributing a fair proportion of the cost and maintenance of the roads they use. On the other hand the railways carries all classes of traffic and is forced to haul an unduly large proportion of the lower rated traffic when much of the higher rated traffic is carried by road haulers. Also, unlike road haulers, the railways is responsible for the whole cost of construction and maintenance of its tracks. Furthermore, the railway is used as an instrument of government policy to promote the welfare of the State and as a result assumes many burdens for which it is not adequately compensated.[27]

The Commissioner's statement in 1955 reflected the high elasticity of demand for certain rail services when there existed, via deregulation, a competitively priced trucking industry. Almost immediately after the court decision the Department was forced to engage in price cutting to try and reattract business being diverted to the private trucking sector.

In the statement by the Commissioner it was noted that he said: " . . . The Department's finances will continue to deteriorate until some satisfactory solution is found to the existing condition." These "solutions" were

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[27]New South Wales Government Railways, Report of the Commissioner, 1955, p. 8.

rather quick in coming.

In 1955 the Commissioner of Railways announced an ambitious plan to dieselize the NSWGR over the next ten year period. This ten year schedule also envisaged the introduction of many wide-spread changes in railway operating procedures.[28]

The most obvious "solution" was for the State government to try and return the railways to their former statutory monopoly position. On November 25, 1954, the six State Ministers of Transport met to draw up legislation that would be compatible with Section 92, of the Federal Constitution. Legislation resulting from this meeting was drafted so as to state: "An operator may obtain a permit to operate interstate subject to conditions necessary to preserve public safety and health, to regulate traffic and maintain roads and their use by the public."[29]

On June 9, 1955 the High Court of Australia unanimously held that such amending legislation did not overcome the objections raised by the Privy Council in 1954 and that as such they still were contrary to the letter of Section 92. It was their opinion that the power of the State governments to grant licenses was still too broad and as such could be interpreted so as to interfere with interstate

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[28] Ibid.

[29] Australia in Facts and Figures, December Quarter, No. 44, p.77.

trade. The Court's finding was based upon the assumption of public ownership of the roads, and hence, restrictive practices could not be made on such a basis, as highways were thus for the use of all citizens. However, by stating that a fair user charge could be levied to cover maintenance costs on roads, the door was left open to re-regulate the transport industry. The various states quickly passed regulatory legislation based on user charges.[30]

In August, 1957 a case to test this new user charge type of approach reached the Supreme Court. In this case, Armstrong versus Victoria (State), it was asserted that the user charge of 1/3 per ton was in violation of the interstate Commerce Clause in the Constitution. The Supreme Court, in a majority decision, ruled for the State of Victoria. The Privy Council upheld this decision by failing to grant leave of appeal. Hence, this approach, via user charge, became a national method of trying to alleviate the financial problems of the railways arising from competition.[31]

In the fiscal year 1956-1957, contrary to the comments of the commissioner, all road user charges in New South Wales amounted to £150,000,000 of which only

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[30] Australia in Facts and Figures, September Quarter, No. 47, p. 62.

[31] Ibid., p. 76.

£42,000,000 was re-invested in road and maintenance construction. This would tend to suggest that the addition of further direct user charges was only an attempt to protect the railways' declining share of the market and not to increase expenditures on new road construction and maintenance.[32]

The events of this judicial interpretation also had a most significant effect upon the propensity of the six State Railway Departments to cooperate. From this period on, there appears to be an ever increasing amount of cooperation in regard to advertising, shaping policy, lobbying, etc. This cooperation will possibly lead to greater efficiencies, especially through the elimination of gross duplication of facilities, but it cannot be predicted that such will be able to alleviate the problems associated with an industry enjoying a world-wide decline in market economies.

Summary

Dieselization was forced upon the NSWGR by a series of events that came down to a choice between certain, and perhaps sudden, financial failure, or dieselization and reorganization. Ebasco estimated in 1957 that an investment of £35,000,000 in diesel traction would ultimately produce

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[32]Australia in Facts and Figures, March Quarter, 1957, No. 53, p. 81.

gross savings of £11,271,000 annually or net savings of £7,920,000 after deducting fixed charges.[33]

The factors cumulative in forcing the Department's decision were:

1. Inefficient managerial procedures resulting in a very high cost industry.
2. Insufficient and very old and inefficient equipment.
3. Intermodal Competition
   a. Vigorous competition from commercial airlines.
   b. Development of a domestic automobile industry leading to growth of private automobiles.
   c. Growth of private trucking industry which was given great impetus by the Privy Council's declaring unconstitutional large segments of statutes formerly used to impede such competition and protect state's investment in public railways.
4. Disastrous floods in New South Wales which for a time rendered over 1/3 of permanent way unstable.

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[33]Ebasco Services Incorporated, op. cit., p. 15.

All of the above tended to make the demand for rail services more elastic and invited the use of substitutes. It became of utmost importance that the railways vary their input/output ratios - and quickly. Dieselization on a large scale afforded an immediate and relatively cheap solution of the problem.

An Australian-wide shortage of labor during the post war years greatly compounded the Department's problems in regard to providing adequate service. As mentioned earlier, in Chapter II, the Department while paying more than other rail systems throughout the Commonwealth tended to pay below the nationwide average. Thus, the New South Wales Government Railways, especially in this period of so-called over-employment, had difficulty in attracting the necessary workers.

CHAPTER IV

Degree of Change

Chapter IV shows the extent to which the Department dieselized during the years 1955-1960, and an inquiry is made into the effects of dieselization on the demand for labor on the main North - South trunk line; two case histories are presented to dramatize the consequences of the changes in the demand for labor.

The breakdown of the Department's locomotive strength (and the work performed) in 1955 is illustrated by the following Chart No. IV-1, "1955 - Locomotives - Tractive Power." From this chart it will be observed that in 1955 steam locomotives supplied over 84.2% of the system's non-suburban electric tractive effort.[1]

Reference to Chart No. IV-2, "1960 - Locomotives - Tractive Effort" shows that by 1960 the steam locomotives were only supplying 45.5% of the system's non-suburban electric tractive effort. This indicates that over a period of five years the role of the steam locomotive, as a supplier of tractive effort, had fallen by 38.7% or an average decrease of 7.74% per year.[2]

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[1] Report of Commissioner of Railways, 1955, op.cit. pp. 10-19.

[2] Ibid., pp. 10-19, also p. 85.

CHART NO. IV-1

1955 - LOCOMOTIVES - TRACTIVE POWER[3]

VEHICLES	NUMBER	TRACTIVE POWER	
Classification of Locomotives		Total lbs.	Average lbs Per Load
Steam	1,187	35,663,682	30,121
Diesel Power Vans	4	39,600	9,900
Diesel Electric-Shunting	2	50,000	25,000
Diesel Electric Main Line	20	920,000	46,000
Electric Locomotive	1	60,000	60,000
Diesel Electric B.T.H.	10	228,000	22,800
TOTAL	1,214	36,961,282	

CHART NO. IV-2

1960 - LOCOMOTIVES - TRACTIVE POWER[4]

VEHICLES	NUMBER	TRACTIVE POWER	
Classification of Locomotives		Total lbs.	Average lbs. Per Load
Steam	1,009	30,359,393	30,089
Diesel Power Vans	4	39,600	9,900
Diesel Electric Shunting	2	50,000	25,000
Diesel Electric Main Line Alco	20	920,000	40,000
Electric Locomotive 45 Class	1	260,000	60,000
46 Class	40	2,429,000	22,800
Diesel Electric B.T.H.41 Class	10	228,000	61,250
General Motors 42 Class	6	367,500	42,900
43 Class	6	1,257,400	42,900
44 Class	42	1,927,800	45,900
48 Class	20	840,000	42,000
TOTAL		38,678,693	

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[3] Ibid., p. 85, Appendix No. 12

[4] Report of Commissioner of Railways, 1960, op.cit., p.38.

Functions Performed by Locomotives

In 1955, steam locomotives performed 2,902,285 trailing gross ton-miles in carrying passenger service. By 1960, this figure had dropped to 1,244,046. However, during the same period the role of diesels in passenger traffic service increased from 117,083 to 1,338,899 trailing gross ton-miles. Suburban electric passenger trains in 1955 performed 2,868,033 trailing gross ton-miles and in 1960 had a similar figure of 2,756,921.[5]

The comparative figures, also expressed in trailing gross ton-miles, for goods traffic during the two periods 1955 and 1960, were steam locomotives, 6,906,550, and 4,887,966,diesels 1,036,705 and 3,276,667.

In 1955, the railways consumed 1,501,000 tons of coal and 3,480,000 gallons of diesel oil. During 1960, only 1,021,000 tons of coal were consumed, while the amount of diesel oil consumed in the railways jumped to 12,104,000 gallons.[6]

All coal supplied to the railways was obtained from domestic sources, while the oil had to be imported from abroad. It may be remarked, parenthetically, but this declining use of coal by the New South Wales Government

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[5]New South Wales Statistical Register, op. cit., p. 53.

[6]New South Wales Year Book, 1961, op.cit., p.387

Railways was felt in the coal industry of the state.[7]

It is interesting to note that between 1955 and 1960 while the ratio of diesel to steam locomotives increased the number of railway casualties decreased from 107 killed, to 50. Likewise, the number injured in work accidents, in the same period dropped from 11,558 to 9,027.[8]

The foregoing section was designed to show the heavy reliance by the Department of Railways upon steam power as their main mode of tractive effort in 1955. An effort was made to illustrate how in the period 1955 to 1960 a greater reliance was placed upon diesel locomotives as a source of tractive effort. By 1960, using the Ebasco estimate, about one-third of the line was dieselized.

Change and Impact

This section will deal with the effects of dieselization on the North Coast line running between Sydney and Brisbane. In 1958 when diesels were introduced on this route, Taree was a major rail depot town. Rail facilities at Taree provided the major overhaul services for steam locomotives operating on this line. The ensuing study will show how

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[7]Industrial Officer, et al., op. cit.

[8]New South Wales Year Book, 1961, op.cit., p. 388.

the use of diesels made unnecessary many of these facilities and hence reduced the need for railway workers. The impact upon industrial relations, the economy of the town, and the personal lives of those whose jobs at Taree were wiped out by dieselization is analysed below. This study is regarded as particularly important because this route was the first major trunk line in New South Wales to be completely dieselized.

Dieselization of the North Coast Line

Commissioner Windsor in 1955 outlined a comprehensive plan to completely dieselize the New South Wales Government Railways within ten years.[9] In 1957, Ebasco Services of New York, after reviewing the operations of the State's transport system, re-emphasized the need for dieselization and placed particular emphasis upon their immediate use on the North Coast line. In suggesting this route as a starting point for overall use of diesels they stated:

> The North Coast line is the second longest run on the system and has the heaviest tonnage for the three runs exceeding 500 miles in length. This line's ruling grades are relatively short; it gradually follows the coast line and the maximum grade rise does not much exceed 400 feet except at the border.

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[9] New South Wales Government Railways, Report of Commissioners, op. cit., p. 8.

> The advantages of the diesel locomotive show up best in such situations. Full diesel power is available over practically the entire range of operating speeds, whereas steam equipment does not develop high horse power on heavy grades at low speeds. Loading the diesel to the capacity does not slow up schedules appreciably.
>
> For example, our estimate on a selected section of the North Coast Line showed that doubling a certain basic tonnage on the diesel locomotive only increased the running time from 698 to 809 minutes, or approximately 16%, and yet this running time was still faster than the fastest steam schedule operating with only the basic tonnage. This was due, of course, to the faster time of the diesel locomotive on grades, as well as the elimination of stops for coal and water.
>
> A full check made of the mileage operated by steam equipment on this line showed an average of 3,824 miles per locomotive per month. These figures give a utilisation ratio of 3.05 steam to 1 diesel.

The Ebasco Report further commented:

> With the introduction of more electric and diesel locomotive power, consolidation and/or elimination of workshop facilities will be available.[10]

By 1958, the Department began replacing steam locomotives with diesel electric locomotives on the North Coast line. This had an immediate effect upon the number of employees required for maintenance work at Taree. Chart No. IV-3 illustrates the degree to which the Mechanical Branch

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[10] Ebasco Services Incorporated, op. cit., p. 65.

Staff was reduced. While in absolute terms the reduction was slight however relative to the former staff position it represented a decrease of 40%.

CHART NO. IV-3

TAREE, MECHANICAL BRANCH STAFF[11]

Variation: 1958 to 1960

Staff Classification	Number Employed 30/6/58	Number Employed 31/7/59	Number Employed 30/6/60
Salaried	20	12	9
Enginemen	184	157	150
Tradesmen	21	2	2
Other Staff	59	17	15
TOTAL	284	188	176

Reactions of Labor Organizations

Organized labor was quite naturally in sharp disagreement with management over many aspects associated with the partial abandoning of Taree as a steam locomotive depot. The main complaints of labor may be summed up as: (1) insufficient warning of the Department's intentions; (2) lack of any real mutual planning between labor and management; (3) changes in job context.[12]

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[11] Industrial Commissioner of New South Wales, op. cit., p. 1341.

[12] Industrial Officer, Lloyd Ress, loc. cit., et al.

The Australian Railways Union, New South Wales Branch, through its State Secretary, Dr. Lloyd Ross, wrote the Commissioner of Railways, stating that his union was disturbed by an announcement of Mr. Hodder, then District Superintendent of Railways, that railway employment in Taree would be cut by one-third.[13] The union was particularly angered because Mr. Hodder's statement had first appeared in the Sydney press on August 22, 1957, without prior warning to the employees of the intended change or of its magnitude. In this letter of the same day, Dr. Ross stated:

> I would be pleased, if you could provide the Australian Railways Union with detailed information, regarding the extent of the possible reduction but, particularly, the times that these reductions are likely to be introduced.[14]

In replying for the Commissioner, Mr. W. A. Anderson, then Secretary for the Railways, confirmed the quotation from the Sydney newspaper, THE TELEGRAPH, stating that prior announcements of this nature were contrary to Department policy, and that the exact magnitude of the impact of dieselisation (upon the job situation) could not, at that time, be accurately gauged. He further added:

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[13] Industrial Commission, op. cit., p. 1056, see also DAILY TELEGRAPH, Consolidated Press Limited, Sydney, August 22, 1957, p. 3.

[14] Ibid.

". . . you will be advised should there be any major developments in relation to the altered staff. ." The Railways' reply was postmarked September 3, 1957.[15]

The general union reaction to this answer by the Department of Railways was one of deep concern. They felt that the answer by the Department was too vague and general to be of any real value in helping them make a true evaluation of the future job position in the areas to be dieselised. With this in mind the Australian Railways Union again approached the Commissioner of Railways with a number of specific questions. These queries were as follows:

A. (1) Where will the refueling depots be situated between Sydney and South Brisbane?

(2) Will diesel engines be changed at any point between Sydney and South Brisbane?

(3) If a refueling depot is to be provided and diesel engines changed, what staff will be necessary for maintenance and fueling purposes to prepare the engines for their next trip?

B. (1) What will be the effect of dieselisation on depots, such as Broadmeadow, Kempsey, Coff's Harbour, Taree, Grafton and possibly Casino?

(2) What numbers and grades are likely to be affected?

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[15] Ibid., p. 1057.

> C. (1) Where staff is found to be surplus, at any point between Sydney and South Brisbane, what methods will the department adopt in transferring these employees?[16]

This inquiry was transmitted to the Department of Railways on February 11, 1958, and was answered by the Department February 17. The Department of Railways did not answer the specific questions posed by the Australian Railways Union. This is reflected in the last two paragraphs of the Department's reply:

> You will appreciate that my Commission is not unmindful of the human as well as the economic effects of the problems facing him to be decided, and in the ultimate decision every aspect will have had due and proper consideration.
>
> You will be advised as early as practicable of the decisions made. You are assured, in the meantime, that the least possible inconvenience to the staff concerned is the aim of the Commissioner.[17]

Further correspondence continued between management and labor regarding the proposed dieselisation of the North Coast line. In a letter of May 9, 1958, Mr. D. Watson, then Acting Secretary for the Railways, gave more relevant information than had been given previously. He stated that from June 29, 1958, diesel locomotives would start operating on this line and that by mid-September the line would be completely dieselised. He was unable to comment on the

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[16] Ibid., p. 1066.

[17] Ibid., pp. 1060-1061.

possible degree of job adjustment, retrenchment, and other changes that might result from this dieselisation. He did advise that the Department would implement diesels into the over-all system, as they became available.[18]

The industrial unions involved (in particular, the Australian Railways Union) were becoming still more deeply concerned by the apparent inability of the Department to present them with a definite time-table of dieselisation. They appeared ired by the last paragraph of Mr. Watson's letter of May 9, 1958:

> When the full diesel working between Broadmeadow and Taree is instituted it will result in some staff being surplus at the Taree depot, but it is not expected that this will involve any staff being retrenched as vacancies have not been filled in anticipation of placing staff displaced by the introduction of diesel working. You will be advised further on this aspect.[19]

The unions were of the opinion that consultation and the dissemination of information by the Department of Railways on the projected use of diesels was long overdue, and that in the case of Taree this procedure was too late. They further felt that the information contained in this last letter was inadequate. Further discussion between management and labor mainly at the initiative of the unions, led late in 1958 to the guarantee by New South Wales Government Railways that there would be no dismissals because of dieselisation.[20]

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[18] Ibid., p. 1061A. [19] Ibid. [20] Ibid.

Specific Cases

The following is a study of two men whose jobs were eliminated when the Department switched from steam to diesel power on the North Coast route. These cases are presented to emphasize the personal problems that occur when a person's former skills are no longer required and to illuminate Departmental policy toward people so effected by technological change.

H. C. Law, Secretary of National Union of Railwayment, on November 9, 1959, in his evidence before the inquiry, recounted the story of Mr. W. R. Masters. Mr. Masters had joined the Railways in 1945, and by 1958 had worked his way up to the position of crane operator on a margin of £3 per week. Up to September of 1958 he was employed at Taree.

On September 5, of the same year, Mr. Masters was transferred to the Clyde Wagon Works as a third class machinist. Besides the psychological readjustment to this demotion he also took a cut in margins of from £3 to £2 a week which posed immediate economic hardships upon his family.

After his transfer, Mr. Masters was not able to locate a suitable house for ten weeks. During this period he paid £6-6-0 a week board, while his family remained in Taree. The award only allowed for a six week period in which transfer expenses were paid. The Commissioner

refused to reimburse Mr. Masters for the extra four weeks. In Taree he had been paying £2 a week for an unfurnished cottage. When he finally found a suitable cottage in Clyde, his rent was £6-6-0.

In spite of the assistance given in actually transporting the Masters family and its chattels, the change in job location had left them at a serious economic disadvantage. In addition they were forced to leave an area in which they had deep roots and his youngest daughter had to interrupt her schooling at Taree High School and transfer to Strathfield (a neighbouring suburb of Clyde) High School.

Another case is that of Mr. A. K. Organ who had been employed as a grab crane operator in Taree in 1958, prior to his job dismissal there. He was 53 at the time.

Mr. Organ was transferred to Broadmeadow Locomotive Depot as a fitter's assistant. His margin was reduced by £1-15-0. In Taree he had rented a house for £1-15-0 per week. In the New Castle area he was unable to rent one at a price compatible with his income. Hence, he was forced to borrow £800 which, because of his age, he had to pay back over a relatively short five year period. The monthly payments on this £800 amounted to £17-13-4. The interest over the five year term totaled £260.[21]

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[21] Ibid., pp. 1189-1190.

There were other examples cited by the Union representatives of hardship caused by transfer. The examples of Masters and Organ are somewhat extreme, in that they represent an occupation that is now non-existent in the New South Wales Government Railways. All other steam depots use overhead bins and were doing so in 1958. However, when complete dieselisation is implemented, in the New South Wales Government Railways, these problems presented by job obsolescence will re-occur.

In Sum:

During the years 1955 - 1960 the New South Wales Government Railways did introduce diesels on an accelerated basis. By using these type locomotives the Department was able to do more work with less locomotives and less staff. In the case of Taree, diesels reduced the number of employees necessary to service trains on the Sydney-Brisbane-North Coast line.

Labor reacted to the use of diesels and the subsequent relocation of staff by demanding that the Department cooperate more closely with the unions by advising of intended job changes and offering financial aid to workers who had to relocate. While railway management would guarantee that there would be not retrenchments, it would not promise to advise the unions of all intended changes from steam to diesel locomotives. Another point of disagreement

between the unions and management was the failure of management to guarantee that workers transferred would be able to maintain their former margins irrespective of their new jobs.

CHAPTER V

CONTINUING REACTION AND ADJUSTMENT TO DIESELIZATION AND ASSOCIATED TECHNOLOGICAL CHANGES

In this chapter an effort will be made to investigate the attitudes of labor and management regarding the introduction of diesels and other associated technological changes in the New South Wales Government Railways. The information for this evaluation came from two sources: (1) Questionnaires sent to management and labor officials. These questions and answers are found in the Appendix to this thesis.[1] (2) Personal interview with management and labor officials. This latter method was used as supplement to the questionnaires.

Attitude Toward Each Other

The most important conclusion to be drawn from this study was that the unions regarded the New South Wales Government Railways as they might any other private employer. This finding is somewhat surprising when one realizes that ostensibly the top management of the Department of Railways and the unions all belonged to the "Labour Movement." The other surprising thing was the Department of Railways, in spite of its association via the New South

[1] Any reference not otherwise indicated specifically is found herein.

Wales Labour Party with the unions, pressed hard against any attempts by the unions to develop closer union-management cooperation in the planning and implementation of dieselization and other technological changes. In general, management derived complete freedom in its ability to effect decisions relating to such changes, while on the other hand the unions strove to have such managerial freedom diluted so that these changes would be implemented in such a way as not to overly effect the then job-union status.

The polarity of union and management attitudes was nowhere better illustrated than in regard to the system of wage determination. Management believed that working in the more pleasant environment of a diesel cab, "with a hot plate and toilet - crews previously had to rely upon the fireman's shovel . . .," constituted sufficient reward. Management did not see a need to correlate wage increases with the increase in productivity arising from the use of diesels. "The factors which determine the margin are skill and disabilities associated with the job, not the amount of capital invested in a machine."[2]

The unions did not appear to be satisfied with such imputed benefits, as mentioned above, and seemed more intent on relating their wages to changes in productivity.

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[2]Interview with C.V. May, Industrial Officer, New South Wales Government Railways, November 11, 1962.

The Boilermakers' Society of Australia expressed a rather typical attitude: " . . . the experience of the Trade Union Movement is when employers introduce new methods of production the employer gains and the employees wages remain as they were at the time of the introduction of the new methods. There is therefore a constant demand by the Trade Unions to ensure that employees shall benefit from the new methods of production."[3]

The Paradox of Production

The margins in Australian industry, for those unions under Federal awards, are determined by (1) skill, and (2) disabilities associated with the job. In Chapter I it was noted that dieselization has a tendency to increase production and to lessen the skills needed by those workers involved. Further, it was noted above that with the introduction of newer machines, especially diesels, conditions of employment actually improve. Taken together, given the institutional formula for margin criteria, these factors point toward lower wage margins rather than increased wage margins.[4]

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[3]Boilermakers' Society answer to question number 4.

[4]For a further discussion of the system of wage determination and wage criteria, see Chapter II.

Dr. Lloyd Ross of the Australian Railways Union was quick to recognize the above-mentioned paradox, that in a period of increasing productivity wages could actually be going down, when he stated: "If the employee does not benefit from technological changes, then two things can happen. Possibly, the gap between skilled and the unskilled will be widened and I take the view that it is already wide enough. Or, alternatively, since technological changes frequently reduce the work values upon which wage determinations are made, then there will be a tendency for lower wages, which to me is opposite to the policy which should be followed in a period of increasing productivity."[5]

The Arbitration System

Realizing that it is not direct agreement between labor and management that sets wages and margins but rather such decisions are made via the arbitration system, then it was not surprising to find that management and labor tended to hold somewhat opposite viewpoints as to the viability of this system. This was a most surprising finding when it is realized that the Labour Movement in general has always been a strong supporter of the arbitration system. However, the surprise was not so great when it became apparent that the present system had built in constraints against unions

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[5]Australian Railways Union reply to question 9b.

sharing in the overall increases in productivity resulting from changes in technology.

The Building Workers Union summarized much union thought when it stated: " . . . this union is most dissatisfied with the present Industrial Tribunals." However, it reflected a more militant approach, shared by many Australian Trade Unions, when it further noted: ". . . the workers have not received the benefit of increased productivity; therefore they are receiving a smaller and smaller share of the national wealth which they create and the rate of exploitation is accelerated particularly in regard to such huge monopolies as B.H.P. So therefore, it is not just a question of setting up a new Authority, but the establishment of a new principle on which such Authority would fix wages."[6] All unions answering this questionnaire, with the exception of the Australian Workers Union, favored either a revision of wage criteria or change, at least to some degree, in the constitution of the authorities currently administering the determination of wages and margins. The Federated Engine Drivers and Firemen's Association went so far as to favor collective bargaining (as distinct from the arbitration system), a revolutionary thought in New South Wales, and cited as their reasons the fact that simi-

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[6]Building Workers Industrial Union answer to question 9.

lar occupations in Victoria ". . . make £2 to £3 per week more because they are under wage boards, which are similar to collective bargaining approach." The only dissenter against some form of change was the Australian Workers Union who stated: "Conciliation and Arbitration is satisfactory if all the parties are prepared to cooperate."[7]

In light of the advantages to be gained from introducing diesels and other changes, lower labor costs per unit because of the attitude of the arbitration system toward margins and increased productivity, it was not surprising to see them advocating a continuance of the system. The surprise was that a Labour Party dominated management would press itself against the wishes of a majority of affiliated unions and the all-powerful Australian Council of Trades Unions who had announced a policy of switching to collective bargaining.

There were, however, strong forces exerting pressure upon the Department to maintain its approach to this wage concept. These pressures manifest themselves through the State government's desire to make the Railways efficiently reflect upon the Labour government. In New South Wales, the contemporary press, with a strong Liberal Party orientation, seized upon any examples of mismanagement to highlight the need for a change of administrations. Also, the railways,

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[7]See all Union answers to question 9.

as the largest carrier service in Australia, were the appendage of state government best known and most used by the people of the state. Thus, in analysing top management attitudes, it must be realized that they were caught in a crossfire. This dilemma resulted from their association and need of support of the Trade Union Movement, while at the same time they had to be sensitive to public opinion which could topple the Labour Administration at the polls. The unions did not appear to be overly sympathetic to this problem of the New South Wales Government Railways top administration and expressed disenchantment. One union official, desiring to remain anonymous, believed that conditions might even be more favorable to the unions under a Liberal Party administration.

Union Fears Regarding Technological Change

The main fears expressed by unions regarding technological changes were that they would cause (1) loss of jobs, (2) downgradings and pay decreases, and (3) job transfers with resultant hardships.[8] A fourth and implied fear was fear of the unknown. This fear was considerably reinforced by the failure of management to inform the unions regarding the nature and size of intended changes. Management admitted that this was impossible and that any effort

[8]Answers to questions 5, 6, and 7 reflect these fears on the part of Labor.

by the unions to interfere would be regarded as an encroachment on managerial prerogatives.[9]

In regard to permanent unemployment in the New South Wales Government Railways, the Department agreed not to retrench any permanent member of the service. However, this concession on the part of the Railways only covered those people who were willing to move, if necessary, and who would take a cut in pay should they be downgraded. The Department felt it could keep this policy of full employment in spite of a declining demand for labor because it would cut back on its recruitment program, thereby allowing the declining demand to be somewhat matched by natural job attrition and retirements.[10]

Unions did not appear convinced that the policy of no unemployment was nothing more than a semantic loophole. They pointed out that a person living in a country town for over twenty years, with strong family and peer roots, would if offered a job elsewhere be faced with actual unemployment. This would be the case when it was realized such a change would mean a financial loss from sale of property in a declining market, as well as the need to change locales to the higher priced urban areas of Sydney and New Castle where the transferred employee might be faced with an

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[9]Management's answer to question 14, et. al.

[10]Management's answer to question 24.

actual loss of financial income due to (1) working in more pleasant conditions, and (2) less skill needed to perform the job operation.[11]

Agreement Regarding Transfers

These problems tended to crystalize union attitude in one direction: that being a real need to force the management of the New South Wales Government Railways to enter into prior consultations regarding the scope and nature of intended changes. Many of the unions answering the questionnaire made suggestions as to what guidelines the Department should establish, etc. The sheet metal workers suggested, "No sackings - no loss of wages or conditions - compensation for changes in location - provisions of housing for displaced workers, etc., - 35 hour week - increased leave." The National Union of Railwaymen of Australia offered a more realistic plan in which they suggested the method by which the Department should base its decisions on what workers to transfer and at what time. Also, this plan cited the need for the displaced workers to be reimbursed for hardships due to transfer.[12]

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[11] See Chapter V, the section dealing with some of the problems faced by employees that were relocated from Taree.

[12] See Comments and Suggestions, found after question 10, Union Attitudes. Reply by the National Union of Railway men of Australia.

Management of the Railways did enunciate a policy to "lessen hardships." This policy came as a direct agreement between the Railways and members of the Trades and Labor council and was worked outside of the arbitration system. It did parallel many union suggestions. This policy included (1) no retrenchments; (2) staff slated for change to be given a maximum of time to prepare; (3) a slowing down of the transfer process; (4) setting up a definite procedure for transferring men, e.g., married men as opposed to single men; (5) travel allowances for individuals, families, and chattels; and (6) the making available of some single accommodations. While this policy did go part way to accommodating some of the fears expressed by labor the two major issues remained outstanding: (1) Wage determination based on productivity; and (2) Need for the unions to participate, at least to some degree, in the planning of intended technological changes that might affect the demand for labor in a particular job area.[13]

Management refused to discuss the question of labor participation in planning intended changes of plant and equipment. The attitude expressed here was that such was the sole prerogative of the Commissioner. In regard to

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[13]The Railwayman, House Journal of the New South Wales Government Railways, Plan to Alleviate Hardships, September, 1962.

changes in the system of wage determination management's attitude, for the reasons discussed above, remained just as inflexible.[14]

Summation

In summation it should be mentioned that in spite of the alleged kinship of management and labor during the years of this study, there existed a great gulf between them as to how the problems associated with technological change should be resolved. Management did not want any infringement upon its managerial prerogatives, while labor, though not opposing technological change, did want to slow down the process and be invited into the planning stages. One possible reason why management could not agree to the latter request was because of its irregular access to finances it did not have, in spite of the pretensions of hiring Ebasco Corporation, any real thorough going plan.

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[14]See Management Attitudes, answer to question 10. State finances in Australia are determined at annual Loan Council meetings. The uncertainty regarding Federal allocation of funds to New South Wales would appear to be the limiting factor in regard to formulating any definite schedule of dieselization based upon expected supply of capital funds.

CHAPTER VI

INFLUENCE OF THE ARBITRATION SYSTEM UPON THE ADJUSTMENT PROCESS

The Australian system of arbitration governs all facets of work conditions in the economy. It assumes direct responsibility to provide work rules that will ensure an ordered system of industrial government. This chapter will investigate the criteria used by the Federal and State bodies in determining industrial conditions and attempt to see what recent awards made for the Railways have or have not been in direct response to dieselization.[1]

Wage Determination

It is tradition that parties to an industrial grievance when pleading their case before either the Commission or Tribunal present polar viewpoints. Some evidence would suggest that this type of behavior results from the institutionalizing of the grievance mechanism. Because of the apparent irreconciliable positions adopted by labor and management the arbitration system has developed criteria of its own for settling disputes rather than relying upon the evidence presented as the sole basis for its decision. Because of the crucial nature of wages in the cost structure

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[1] The mechanics by which wages are determined is taken up in Chapter II, Grievance Mechanism.

of the railway industry the following will be a brief analysis of how such criteria has developed.[2]

Federal Criteria

Under the Commonwealth Conciliation and Arbitration Act 1904-1961, the Commonwealth Conciliation and Arbitration Commission (previously the Commonwealth Court of Conciliation and Arbitration) may for the purpose of settling or preventing a dispute of an industrial nature extending beyond the territories of any one State, so make an award "altering the basic wage or principle upon which it is computed." The "basic wage" is defined by section 25 of the Conciliation and Arbitration Act ". . .that wage, or part of a wage, which is just and reasonable for an adult, without regard to any circumstances pertaining to the work upon which, or the industry in which he (she) is employed."[3]

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[2]Paul L. Lkeinsorge in an article in the July, 1964 (Vol.6, No. 2, pp. 17), Journal of Industrial Relations, Public Interest as a Criterion in Settling Labor Disputes: The Australian Experience, makes a valuable contribution to the understanding of how criteria is developed in the Australian System of Compulsory Arbitration.

[3]Commonwealth of Australia, Conciliation and Arbitration Act - 1904-1961, 8702/1961, A.J.Arthur, Commonwealth Government Printer, Canberra, 1961, p. 1.

While the principle of a "living wage" was propounded even before the unification act of 1901, it was not until 1907 that it was given judicial interpretation and blessing. In that year, the then President of the Court of Conciliation and Arbitration Justice Higgins, ruled that seven shillings a day or two pounds two shillings a week constituted an amount which ". . .the normal needs of the average (unskilled) employee regarded as a human being living in a civilized country." This order was the result of an application by the Sunshine Harvester Works, Victoria, that in terms of Section (d) of the Excise Tariff Act 1906 the wages paid to employees of that company amounted to what was "fair and reasonable." After 1907 the phrase "fair and reasonable" had a substantive interpretation.[4]

Until 1913 the "Harvester decision" continued to be the criteria for settling wage disputes. However, in 1931, the court began basing wage decisions in part upon the retail price index ("A" series) covering food, various other type groceries, and house rents. In 1921 a system of automatic adjustments, based on this index, was introduced. The court held that these changes did not represent any deviation from the 1907 idea of "fair and reasonable."[5]

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[4]Australia in Facts and Figures, No. 44, op. cit., p. 23.

[5]Ibid.

The onset of the Great Depression cause the court in 1931 to evoke a new criteria in setting wages - "what the economy can sustain." Immediate application of this principle allowed the court to order an across the board 10% reduction in the basic wage.[6]

While some variations to the mechanism for wage setting have taken place (mainly adding of prosperity loadings and the dropping of automatic adjustments) the criteria of "what the economy can sustain" remains. A number of cases before the Commission Tribunal will be studied to see how this principle was applied between 1955-1960.[7]

The annual ritual of asking the commission for a wage increase is assigned to those unions respondent to the Metal Trades Grades Award. The decision handed down in this case applies nationwide to all unions under Federal awards and therefore to unions under State Awards in NSW. The following is an analysis of three wage cases presented by the Metal Trades Grades unions. These decisions represent commission policy in regard to overall wage determination.[8]

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[6] Ibid.

[7] Year Book of the Commonwealth of Australia, 1960, No. 46, Commonwealth Bureau of Census and Statics, A.J. Arthur, Commonwealth Government Printer, Canberra, pp. 427-449. Each Commonwealth Year Book provides a comprehensive section, "Basic Wage," which is current on developments in this area.

[8] Ibid.

On February 18, 1958 the Conciliation and Arbitration Commission began hearings by the Metal Trades unions asking for (1) an increase of approximately 10 shillings in the basic wage, and (2) a return to automatic adjustments based on the "C" Series Index. The commission denied the second request and allowed only a five shillings increase in the basic wage. The Commission in denying the ten shilling increase stated that the increase of five shillings was based on the capacity of the Australian economy and a further increase was[9] "undesirable in the interest of all..."[10]

In the case before the Commission in 1959 the Metal Trades unions asked for and received an increase in the basic wage of twenty shillings, but their request asking for a return to automatic quarterly adjustments was denied. In these hearings the Commonwealth Government entered as an interested party and supplied data regarding the ability of the economy to bear an increase in the basic wage.[11]

A similar scene was enacted in 1960. In this case the unions were successful in getting a 22 shillings increase in the basic wage but again were not able to convince the Commission that wages should be adjusted automatically.[12]

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[9] Ibid., p. 434.

[10] Ibid., pp. 436-437.

[11] Ibid.,

[12] Ibid.,

CHART VI-1

NEW SOUTH WALES

Commonwealth Basic Wage - Weekly Rates 1963[13]

City or Town	Rate of Wage	
	Adult Males	Adult Females
Sydney	£14-15-0	£11-1-0
New Castle	£14-15-0	£11-1-0
Port Kembla-Woolongong	£14-15-0	£11-1-0
Broken Hill	£14-19-0	£11-4-0
Five Towns	£14-14-0	£11-0-6

£A equals 2.24 U.S.dollars

As the preceding cases indicate, the Commission ostensibly adheres to the criteria of "what the economy can sustain." The Federal government will enter such cases as an interested party if it feels that impending wage changes can affect Australia's Economy.[14]

State Criteria

In 1937 the government of New South Wales amended the State Arbitration Act so that the State basic wage would be the same as the Federal basic wage. In 1953 the State followed the lead of the Commonwealth and dropped

[13] Ibid.

[14] Ibid., See discussion, pp. 427-449.

automatic wage increases. However, in 1955, due to strong union pressure, the New South Wales Industrial Arbitration Act was again amended to reintroduce a system of automatic quarterly adjustments.[15]

The most obvious fact regarding the system of wage determination in Australia is that it is institutionalized. The courts have been given power to interpret the needs of the economy and to pass judgment (fix wages and conditions). Wages are varied on a nationwide basis. The criteria are not based on productivity or profitability of an industry but rather whether the economy can sustain a nationwide increase. Besides running contrary to accepted economy theory as a basis for wage determination, this approach seems to imply that people with a legalistic background will automatically be able to make viable decisions regarding the economy.

Paul Lkeinsorge of the University of Oregon concludes, after investigating the motivations behind the Commission's decisions on wages, that the so-called "public interest" criteria is used as an expediency.[16]

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[15] Ibid., Basic Wages in Australia-State Basic Wages-New South Wales, p. 441.

[16] Kleinsorge, op. cit., pp. 1-21.

Margin Classification and Award Variation

The following is a discussion of the margin classifications, award variations, and job definitions in the New South Wales Government Railways. A margin is an additional increment of pay added to the basic wage. Margins are based on skills and disabilities associated with the job. Some margins may be 200% greater than the basic wage. The ensuing analysis will endeavor to trace any changes made to the job classifications as a result of dieselization.[17]

Locomotive Enginemen's Award

Chart No. VI-2 presents the margins awarded to locomotive enginemen in the actual Award of 1956, and the Variation to this Award, which was made in 1959. Of interest is that no substantial variation has appeared in job classification to allow for increased use of dieselization.[18]

Both the Award and the Variation make allowance for an increased increment of pay for "driver, acting driver, driver of shunting engine, fireman, fireman of shunting

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[17]Commonwealth Conciliation and Arbitration Act, 1904-1961, No. 8702/1961, Section 104(2) (6), p. 95.

[18]Commonwealth of Australia-In the Commonwealth Conciliation & Arbitration Commission Locomotive Enginemen's Award (1956) and Variation (1959), New South Wales Government Railways (No. SA5147 and A7542) Award, pp. 1-26. Variation, pp. 1-2.

CHART NO. VI-2

LOCOMOTIVE ENGINEMEN'S AWARD 1956 - MARGINS[19]

Adult male employees shall be paid at the rate of the appropriate basic wage prescribed by Part 1 of this award and in addition thereto shall be paid at the rate of the margins prescribed in the following table: (Commr. Austin)

Award Item No.	Grades or Calling	Award Margin (Per day)		Variation Margin (Per day)	
1	(a) Trainee enginemen	2	4	3	0
	(b) Trainee engineman if qualified to act as fireman	2	10	3	8
2	(a) Trainee engineman whilst acting as fireman -				
	for 1st year	4	0	5	1
	for 2nd year	5	0	5	6
	thereafter	6	3	8	0
	(b) Trainee engineman whilst acting as fireman firing an express, mail or passenger train 65 miles or over in one direction	7	6	9	7
3	Cleaner, head -				
	(a) At Enfield, Eveleigh and Broadmeadow	5	0	6	5
	(b) Elsewhere	4	0	5	1
4	Trainee engineman, shed (qualified to act as fireman)	4	0	4	1
5	(a) Fireman so classified (not otherwise provided for) -				
	1st year	3	2	8	0
	thereafter	6	3	11	2
	(b) Fireman thereafter, so classified (not otherwise provided for) who for the most part of a shift fires a steam locomotive	10	0	12	10

[19] Ibid., Award, pp. 14-15. Variation, pp. 2-3.

CHART NO. VI-2 (continued)

Award Item No.	Grades or Calling	Award Margin (Per day)		Variation Margin (Per day)	
5	(c) Fireman who, for the most part of his regular duty, works express, mail, or passenger train 65 miles or over in the one direction.	10	0	12	10
6	Fireman (other than shunting) with five years service as fireman qualified to act as driver (locomotive) and ready, willing and available to accept appointment as driver regardless of the location of the appointment.	10	7	13	7
7	Fireman employed exclusively as fireman of shunting engine (other than those in Sydney passenger yard) -				
	for 1st year	4	0	5	1
	for 2nd year	5	0	6	5
	thereafter	5	7	7	2
8	Fireman, whilst acting as a driver of a steam, electric or diesel electric locomotive or electric train (except as otherwise provided)				
	for 1st year	12	6	16	0
	for 2nd year	15	0	19	2
	for 3rd year	17	6	22	5
	thereafter	20	0	25	7
9	Fireman, shed (qualified to act as driver)	10	0	12	10
10	(a) Driver, so classified, of steam, electric, diesel electric locomotive or electric train (except as otherwise provided for) -				
	for 1st year	20	0	25	7
	thereafter	22	6	28	10

CHART NO. VI-2 (continued)

Award Item No.	Grades or Calling	Award Margin (Per day)		Variation Margin (Per day)	
10	(b) Driver, who for the most part of his regular duty, drives express, mail or passenger train 65 miles or over in one direction	25	0	32	0
11	Driver of shunting engine (other than those in Sydney passenger yard) -				
	for 1st year	12	6	16	0
	thereafter	15	0	19	2
12	Driver of rail motor not required to be qualified as steam driver -				
	for 1st year	12	6	16	0
	for 2nd year	15	0	19	2
	for 3rd year	17	6	22	5
	thereafter	18	9	24	0
13	Engine turner or hostler	10	0	12	10
14	Engine turner's or hostler's assistant	3	2	4	1

Driver, acting driver, driver of shunting engine, fireman, fireman of shunting engine, and/or acting fireman, shall be paid 2d. additional for each shirt (maximum 1s per week) during which he works on a steam locomotive to compensate for any disabilities not otherwise included in the margins.

Award item 12 differentiates a "driver of a rail motor not required to be qualified as a steam driver." Item 12 allows for a maximum margin (1959 Variation) of 18/9 per day, whereas item 10, "driver, so classified, of steam, electric, diesel electric locomotive or electric train.." receives a maximum margin of 28/10. The driver of "..an express, mail or passenger train 65 miles in one direction.." is paid a daily margin of 32/0. This compares favorably with the daily increment of 19/2 paid the driver of a shunting engine.[20]

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[20] Ibid., Award, p. 15.

engine, and/or acting fireman. . .during which he works on a steam locomotive to compensate for any disabilities not otherwise included in the margins." In this instance the Commissioner did not make the award addition because of increased productivity or greater use of skill, but because of the disabilities associated with the job.[21]

Other sections of the Award reflect in a limited way the continuing impact of diesels upon the job context. Award item 5(b), as per Chart No. VI-2, differentiates between a fireman on a steam locomotive from one working on the other motive forms. Unclassified fireman in Section 5(a) are paid (under the 1959 Variation) a margin of 11/2 per day, while firemen with similar experience on a steam locomotive are paid a margin addition of 12/10 per day, an increase of approximately 15%. Likewise, a fireman who works ". . .for the most part of his regular duty, works express, mail or passenger train, 65 miles or over in one direction," is paid a like margin of 12/10.[22]

Productivity and Wages

In 1962, the Australian Federated Union of Locomotive Enginemen appealed to have the Award of 1956 varied so that under the Award cognizance would be taken, in assessing margins, of their increased productivity through the operations

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[21] Ibid., Award p. 15. Variation p. 2.

[22] Ibid., Award p. 15.

of diesels. A considerable part of the union's case rested on the approach ". . .that locomotive enginemen should be awarded a fair share of the fruits of increased productivity attained largely as a result of their skilled work and cooperation, etc."[23] In denying their appeal, Commissioner Gough stated, "There is no countervailing factor to be deduced from any change-over in work values accompanying the change-over to diesel, diesel-electric and electric forms of traction, because an appropriate balance can be struck between the relative advantages and disadvantages."[24] The Commonwealth arbitration system held that wage increases, because of increased productivity, are computed in setting the basic wage and not in setting individual margins.[25]

Time Allowances

In the section of the award dealing with "Time Allowances" a differentiation is made between "coal burning engines" and "other than coal burning engines." Sections 10(a) through 10(f) spell out the time allowances for coal

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[23]Commonwealth of Australia, In the Commonwealth Conciliation and Arbitration Commission, Locomotive Enginemen's Award Variation (No. A8601), p. 9.

[24]Locomotive Enginemen's Award Variation 1956, op. cit., p. 9.

[25]Year Book of the Commonwealth of Australia 1960, No. 46, op. cit., p. 428.

burning locomotives. Section 10(g) merely states, "Time allowance for other than coal burning engines shall be as agreed upon between the parties or as determined by the Commission." This section was not varied in 1959. Sections 10(a) through 10(g) are cited below. It will be noticed how detailed are the instructions of the award pertaining to coal burning engines against compared with the lack of definition in regard to other type locomotives.[26]

TIME ALLOWANCES - AWARD 1956

10. (a) For preparing coal burning engines which were not put away by them on the previous trip, drivers and firemen shall be allowed -
(i) if the engine be of the 12,13,14,17,19,20, 24,25,26,27, or 30B;
(ii) if the engine be of the 30T 32,34,35,36,38, 50,53,55,57, or 58 class,
drivers and firemen - 60 minutes.

(b) (i) For preparing coal burning engines which were put away by them on the previous trip, drivers and firemen shall be allowed 50 minutes.
(ii) When engines are prepared for enginemen, drivers and firemen shall be allowed ten minutes before whistling out time, excepting where the engine is of the 57 or 58 class, for which 15 minutes shall be allowed, plus any extra time as provided in paragraph (i) of subclause (c) hereof: in these cases the kit shall be placed on the engines for the outgoing enginemen.

(c) (i) The time allowance for preparing engines shall count from time of signing on until time due to arrive at traffic points, excepting Eveleigh, Goulburn, Cowra, Lithgow, Narrandera (Hay end), Broadmeadow, Werris Creek and Clyde and any other places that may be agreed upon between the parties, where additional time shall be allowed to run to traffic points.

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[26]Locomotive Enginemen's Award Variation 1956, op.cit., sections (C), (F), and (G).

(c) (ii) When two engines whistle out of loco. "coupled" the enginemen of the leading engine leaving loco. shall be allowed 5 minutes additional to the allowances prescribed in sub-clauses (a) and (b) and paragraph (i) of sub-clause (c) hereof.

(d) When required to prepare the same coal burning engine a second time within any one shift, drivers and firemen shall be allowed 50 minutes for the second preparation of the engine.

(e) For putting away coal burning engines the allowances shall be: - "57" or "58" - drivers 35 minutes, firemen 20 minutes. Other classes - drivers 30 minutes, firemen 15 minutes.

Such time shall be calculated in the case of putting away tender engines from arrival on loco. pit and in all other cases from time of passing traffic points.

(f) When required to knock down fires and rake out ashpan, firemen shall be allowed 30 minutes extra, but if assistance be provided the allowance shall be reduced to 15 minutes.

(g) Time allowances for other than coal burning engines shall be as agreed upon between the parties or as determined by the Commission.

Limits of Mileage in Shifts.

Section 15(a) to 15(e), as cited below, of the Locomotive Enginemen's Award, places specific limitations upon the amount of work that an engineman may accept in one shift. No specific mention is made of enginemen employed on diesels. However, the award has set out a formula as follows in Chart No. VI-3, which equates mileage and time worked. Under this formula an hour of work approximates to between 20 to 22-1/2 miles, or vice versa. Mileage goals

would be easier to obtain in a diesel than in a steam locomotive.[27]

CHART NO. VI-3

MILEAGE[28]	TIME TO BE CREDITED
160 miles and up to and exclusive of 180 miles	8 hours
180 miles and up to and exclusive of 200 miles	9 hours
200 miles and up to and exclusive of 220 miles	10 hours
220 miles and up to and exclusive of 240 miles	11 hours
240 miles and up to and exclusive of 260 miles	12 hours

LIMITS OF MILEAGE IN SHIFTS[29]

15. (a) Except in the case of doubles, and except in the case of accident or unavoidable necessity, enginemen on steam locomotives shall not be required to work in excess of the following prescribed mileage in any one shift -

(i) On express, mail passenger and fruit mail trains and on fast livestock and fast through goods trains worked by passenger type steam locomotives on passenger train timetable, 165 miles.

(ii) On ordinary goods, fruit and livestock trains, 136 miles.

(iii) On fruit, mail, fast livestock, and fast through goods trains worked by "57", "58", "59", or "60" class locomotives on passenger train timetable, 165 miles.

(iv) The maximum mileage of any steam locomotive double shall be 215 miles, and doubles shall not be worked more often than three times per week by any one engineman, nor shall the total time on duty on any double, exclusive of any interval, exceed 10 hours.

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[27] Ibid. [28] Ibid. [29] Ibid., pp. 20-21.

(v) A "double" means any shift worked by any engineman when working express, mail, passenger or fruit mail trains from his home station to another station and return and the total mileage exceeds 160 miles, provided that a minimum period of 30 minutes is rostered at the turn round point during which the engineman could partake of a meal.

(vi) Enginemen working doubles shall be relieved upon arrival at the terminal point on the return trip where the spread of a shift exceeds ten hours.

(b) Except in the case of accidents or unavoidable necessity suburban electric train drivers shall not be required to work trains in excess of 152 miles on any shift.

(c) Enginemen, other than suburban electric train drivers shall not be required to work shifts where the mileage run exceeds 230 miles, more often than four times in any one week.

(d) Except in cases of accident or unavoidable necessity the rostered working of enginemen shall not exceed 8 hours in traffic, if the distance to be worked in such rostered shift exceeds 230 miles.

(e) Enginemen working in excess of 230 miles on any shift shall be relieved upon arrival at the terminal point of the train worked.

Country Differential

On August 9, 1960 the commission heard an appeal by the Federated Engine Drivers and Firemen's Association of Australia to vary the award covering these two groups so as to eliminate the country differential. The petition was granted and the award varied so as to eliminate said differential in pay.[30]

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[30] Ibid.

New South Wales Metal Trade Grades Award

The 1961 Railways Metal Trades Grades Award specifically defined what constituted "Ordinary Hours of Work" and "Overtime." These two sections are quoted below. The definitive nature of these two sections, in respect to employees associated with diesels, seems to indicate that future awards in this area will redefine those employees engaged in the "diesel context."[31]

Ordinary Hours of Work, Section 7: (a) "The ordinary hours of labour for mechanical and electrical equipment examiners, and for fitters in charge of interlocking sections, and for running fitters on trains worked by diesel hours, shall be 80 per fortnight divided into not more than 12 shifts."[32]

Overtime, Section 8: (c) "All time worked by running diesel engine fitters in excess of nine hours on any shift or in excess of 80 hours in any fortnight shall be paid for at the rate of time-and-a-half: provided that all time worked in excess of 12 hours or any shift shall be paid for at the rate of double time.[33]

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[31] Commonwealth of Australia, In the Commonwealth Conciliation and Arbitration Commission, The Railways Metal Trades Grades Award, 1953, Variation 1961. No. A8650, pp. 23-50.

[32] Ibid. [33] Ibid.

Summary

Of significance in analysing the main railway awards was the apparent dearth of work rules that specifically covered diesels. The approach of the arbitration system to the problem of higher pay for performing a duty on a more productive machine, not to increase the margin because of increased production. This approach was approved of by management but strongly rejected by Labor.

CHAPTER VII

CONCLUSIONS AND EVALUATION

The existing pattern of labor relations is disturbed when a rail system switches from steam to diesel traction. Skilled workers, formerly needed to attend steam facilities, such as firemen, water pumpers, coal bin attendants, boiler makers, etc., are no longer needed to service diesel locomotives. However, a railway using diesels does have an increased need for electricians and diesel mechanics. In sum, the net effects from replacing steam locomotives with diesels are to reduce the number and variety of jobs.[1]

Dieselization, by initiating changes in the location and structure of the work force, threatened the personal interests of those involved, as well as it represented a weakening of labor's overall strength. Unions, such as the Australian Railways Union and the Federated Engine Drivers and Firemen's Association, whose vital interests were affected, reacted more strongly than those with members not directly involved. The size of a union, because of the existing framework of arbitration, does not, in theory,[2]

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[1] See Chapter I, The Problem Stated. It is also of interest to note that between 1945 and 1957 the employment index for U.S. railroads declined from 81.9 to 59.3. This meant a reduction from 1,419,505 workers to 984,784 workers. See Industrial Comm. of New South Wales, op. cit., p. 935.

[2] It might be noted that a smaller union would have less influence upon the government. This would possibly be of importance during periods of Labour administration in influencing policy, such as in 1955 when the unions pressured the State government into reintroducing.

bear a direct relation with its ability to bargain more successfully on wages and conditions of work, but the size does effect its overall power to influence policy within the labor movement. This latter fact was of great importance during the years of this study because the Labour Party was the ruling party at that time.

By 1960 the capital investment in the New South Wales Government Railways amounted to L260,000,000. The system covered 6,108.25 miles of track and on an average employed some 52,000 workers annually. In 1955 earnings from all operations amounted to 77,312,262, and by 1960 revenues had climbed to 85,362,706; however, during this period the railways had an average deficit from all operations of 5,800,000.[3]

The Department of Railways is administered by the Minister of Transport, a cabinet position in the New South Wales government, through the Commissioner of Railways. The task of running the railway and making most administrative decisions falls upon the Commissioner.[4]

All employees of the Department, including the Commissioner, were required during the period studied to be members of a union. Unions were affiliated with either the

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[3]Report of the Commissioner of Railways, op. cit., pp. 30-39.

[4]The public ownership of the New South Wales Government Railways might be compared with the privately owned U.S. Railroads and their Relationship to the Interstate Com.Comm.

State or Federal compulsory arbitration systems, depending whether their activities were intra or interstate in nature. Under this compulsory system all industrial disputes had to be reported. Failure of the parties to a dispute to reach mutual agreement, after conciliation attempts have been made, resulted in a direct and binding edict being issued from either the State or Federal arbitration body to settle the dispute.

This system greatly lessened the need for the unions and management to really try and work things out between themselves. There appeared to be very little agreement or even attempts at mutual agreement, the reason being that in light of this compulsion there was little incentive to reach mutual agreement. In fact, it became part of the overall Australian framework for unions and management to take extremely polar positions in disputes before the arbitrators. Many astute observers believe the system compels this type of "polarising," especially when it is written into the law that the commission/tribunals may not make an award in excess of that asked by either party.[5]

The great effort of the New South Wales Government Railways during the protracted war years (1939-1945) was reflected in the worn out state of its equipment in the

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[5]The answers to the questionnaires, found in the Appendix, regarding Union and Management attitudes are the basis for these conclusions. See also Chapter V.

immediate post war years. The hard currency shortage, coupled with the economy wide demand for new plant and equipment tended to prolong this condition.

Immediately after World War II the sophistication and extension of non-rail forms of transportation began and proceeded on an ever increasing tempo. Air transport and private automobiles were able to provide lucrative alternatives to the slow inefficient train services. Also, the trucking industry, in spite of an odious system of licensing, was making steady headway. In 1954 the trucking industry was temporarily de-regulated, by court degree, and even in the face of later more constitutional restrictive legislation it was able during this period to establish a secure "beach-head."[6]

In 1954 New South Wales experienced extensive flooding which temporarily incapacitated over one-third of the Department's permanent way. The resultant emigration of business to other carrier modes greatly increased and the railways faced the sure alternatives of either taking steps to become competitive or going into a very fast financial decline. The answer was to accept the most readily available expediency - dieselization.[7]

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[6]See Chapter III, Unconstitutionality of New South Wales Transport Act.

[7]Ibid.

Once the decision was made to dieselize, the only limitating factor was the lack of capital funds. Probably to placate the unions (and for no other reason that turned up in this study), the Department at a cost of over $600,000 employed the services of Ebasco Services Inc., of New York. This firm made similar recommendations to those contained in the Commissioners Report of 1955. The essence of this was - dieselize and effect other economies. Perusal of this report suggested that a capable graduate student, for much less money, would have been able to arrive at the same conclusion and present the same data.

The Australian labor movement, always suspicious of any efforts to introduce American type job procedures was most irked at this company being called in. The announcement of Ebasco being hired evoked a number of wild-cat strikes and the union equivalents of "teach in." The findings of Ebasco were never really followed (management felt slighted and generally rejected their suggestions out-of-hand). The State government could mark this incident down as one big political fiasco.[8]

In 1955, there were 1,187 steam locomotives and 27 diesels; by 1960, there were 1,009 steam and 149 diesel

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[8]Both union and management representatives expressed in answering the questionnaire and in personal interviews - see Chapter V and Appendix - dissatisfaction at the State government bringing in Ebasco Services Inc.

locomotives. During this period the average number of employees declined by 5,000 workers, or 9.1%. The first main line that was dieselized was the North Coast (Taree) trunk line. Diesels during 1955-60 found limited use on other lines and in yard operations.[9]

Taree was presented as a study of how a former "depot town" for steam locomotives was affected by bringing the newer tractive mode. Other aspects of this section involve the degree (or lack of it) of cooperation reached between management and labor in the introduction of changes that eliminated many of the rail jobs at Taree. Also, two case histories are presented in an endeavor to illustrate the "human effects."

The conclusions drawn from the study of Taree were: (1) Management did not begin with any real plan to advise the unions about impending changes and did not have, at first, an effective scheme worked out to help alleviate the hardships endured by people who had to move because their jobs were eliminated at Taree. It was in this regard, largely due to the efforts of the State branch of the Australian Railways Union, that certain guarantees regarding "no retrenchments" and offers of departmental assistance were given.

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[9]See Chapter IV.

The second conclusion (2) was that such changes when introduced to a small rural community can alter the whole socio-economic pattern of that area (at least in the short run). The social disruptions were mainly caused by the need for people to shift to other locales for work. This interrupted the life pattern of many in regard to their schooling, peer groups, and other associations. The economic disruptions were reflected in less jobs in the community, lower business earnings, lower house values (this particularly hurt rail employees who had to move). In general, the economic activity of the area slowed considerably.

It was noticed in analysing this section that what agreements were reached were done so by inter-reactions directly between management and labor rather than via the institutional framework of the arbitration systems. It would be too early to see if this type pattern was developing on an industry wide scale.[10]

The section dealing with "attitudes" reflected on the part of labor and management very traditional views toward wages, conditions of employment and job security. Management wanted to protect its managerial prerogatives, while labor was most anxious to impinge upon such and thus be in a position to help sustain and improve its position

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[10]The discussion of Taree is fully developed in Chapter IV.

regarding job content.[11]

Management opposed labor's contention that wage increases should be determinant upon increases in productivity. The commission/tribunal repeatedly has upheld this position of management. It would appear that labor is only advancing quite valid economic arguments in suggesting that some increases from productivity be passed on in terms of wage increases. The Department, by adopting such a wage policy, should be able to get a more rational use of its labor resources.

The whole criteria of wage determination is taken up in Chapter VII. A reading of this chapter will show that wages in Australia are determined by a dual State and Federal system. The Federal system uses as its criteria for determining the basic wage, the ability of the overall economy to sustain such a wage. The basic wage, with small differentials, is set by the Commission for the entire country. To this basic wage is added margins. These margins are computed on the basis of skill used on a job and discomfort associated with a job. State determination is closely correlated to the Federal Basic wage, but has an automatic adjustment aligned with the "C" series retail price index.

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[11]Consult Appendix and Chapter V for further discussion.

Great volumes of criticism could surely be written from an economic viewpoint, refuting this whole institutionalising of the wage determination system.[12] The main criticisms offered here are:

(1) How do people with largely legalistic training get the foresight to be able to set wages for the economy as a whole?

(2) This type of system dictates a uniform factor cost for the whole economy, and therefore largely negates the ability of the market mechanism to efficiently allocate labor resources among the various sectors of the economy. On this basis, it would appear that the arbitration bodies have taken upon themselves the duties of rationing labor resources.

(3) Economic theory would support the claims of the unions that productivity (marginal) rather than institutional factors should be the main determinant of wage levels.

In regard to wages, the conclusion was drawn that the arbitration system actively works against the proper,

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[12] Some of the problems associated with a rigid wage system based on non-economic factors is discussed in National Income and the Price Level, Martin J. Bailey, Chapter III, pp. 44-83, McGraw-Hill Book Company, New York, 1962. This discussion, while confined to a relatively limited economic model, does highlight some of the adjustment problems associated with an economy that does have a wage structure based on non-economic (overt union pressure) factors.

economic distribution of wage rewards. The result is that industries like the New South Wales Government Railways, which are currently enjoying a secular decline, have similar wage structures to more prosperous industries. It was concluded that this system of wage determination had a large part in the Department's decision to accelerate its program of dieselization 1955-1960.

Suggestions

On the basis of the preceding study, the following suggestions are offered.

(1) More direct communication should be established between management and labor.

(2) Further efforts to re-regulate the New South Wales transport industry should be avoided. New South Wales would benefit from a competitively priced transport system. The present use of rail services to supply extremely small towns could be more profitably undertaken by small one-unit trucking operations.

(3) Complete dieselization should be introduced; however, the Department should bring about such changes in a planned manner so as to alleviate labor distress where possible.

(4) The current system of wage determination should be changed so as to allow market forces a greater "role."

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APPENDIX

APPENDIX

MANAGEMENT QUESTIONNAIRE

Question 1: In what way has the introduction of technological innovations affected Industrial Relations in the New South Wales Government Railways? (Specifically diesels)

Answer: "There has been no radical change in industrial relations as a result of the introduction of new modes of motive power, etc."

Question 2: Do you feel that there is a need for such a study (this thesis) and if so, why?

Answer: "Any action which brings industrial harmony is worthwhile. At the present time industrial relations are good and I can see no reason why this state of affairs should not continue."

Question 3: Do you consider the railway industry of this state a secularly declining industry, and if so/if not, for what specific reason?

Answer: "The railway industry in this state is not a declining industry. With the introduction of modern type motive power and rolling stock the Department is obtaining increased business in both passenger and goods traffic and it is anticipated that this position will continued to improve."

Question 4: Has there been any period in which a programme of modernisation of plant and equipment has been accelerated?

Answer: "The Department has always sought to increase its efficiency by the use of more modern plant and equipment commensurate with its capital ability."

"Since 1952 there has been a programme of utilising diesel or electric power in lieu of steam services. As at 30: 9 : 1962 there were 169 diesel-electric locomotives in service, 16 diesel hydraulic locomotives and 41 electric locomotives.

"In 1961, mechanised track laying was commenced in the Dubbo district."

Question 5: Why has this change taken place, and at this particular time: what prior circumstances prevailed that necessitated the introduction of such change? (Questions 6 and onwards will assume that the pace of change has been accelerated.)

Answer: "These changes took place to increase the efficiency of the Department."

"Prior to this time (and since the war) much of our capital was spent in carrying out maintenance arising from the aftermath of the war (1939-1945)."

Question 6: In what areas have these technological changes been concentrated?

Answer: "Electrification - Hornsby to Gosford, Paramatta to Lithgow, Carlingford line, and the Enfield Yard.

"Dieselisation - North Coast line and branches. Other lines operate diesel and steam services.

"Mechanisation of the permanent way maintenance, Dubbo area."

Question 7: What are the limiting factors to this expansion? What are the projected goals of the Department in regard to this matter of plant mechanisation?

Answer: "Capital funds made available to the Department.

"Ask the commissioner."

Question 8: What factors have influenced the Department's "time schedule" in regard to implementing its programme of dieselisation?

Answer: "The dieselisation programme has been planned to be introduced over a ten year period, the prime factors motivating this policy being:

(a) Finance
(b) The utilisation of the boiler life of steam locomotives
(c) The minimising of any hardships upon staff.

"The first two are self-explanatory. In connection with the third category, the Unions have been assured that no employees will be retrenched as a con-

sequence of staff becoming surplus. To fulfill this assurance, and by virtue of the time span of the programme, the Department looked ahead and restricted recruitment of labour in the areas concerned to an absolute minimum so that the number of employees who would suffer hardship by transfer would be reduced to as few as possible. By this it can be seen that the security of tenure was not affected.

"Very few down gradings were made arising from the dieselisation programme because of the ability to plan ahead. Vacancies at the locations were not permanently filled so that the number affected was reduced.

"Rates of pay were not affected.

"Prospects of promotion have not been materially affected. Whilst the number of tradesmen, etc., have been reduced at certain locations, the overall effect of this has not diminished the general promotional prospects of the employees concerned. Seniority in this Department is governed by length of service in the grade irrespective of location in the branch."

Question 9: Why did the N.S.W.G.R. wait until 1955 to bring about these drastic changes?

Answer: "Mainly capital needs."

Question 10: Was the Ebasco Report necessary?

Answer: "Will not answer."

Question 11: How closely have the recommendations of the Ebasco Services Inc. been followed in the implementation of this programme?

Answer: "Some recommendations have been adopted. Mechanisation of the Permanent Way did not follow "Ebasco," but rather the plans of the Department's own engineers."

Question 12: How did the unions react to the bringing out of the "Ebasco" people? Are not the many of the unions within the N.S.W.G.R. suspicious of outsiders - especially an American outfit?

Answer: "There were some half hour stoppages due to the bringing out of the "Ebasco" people."

Question 13: Were the unions consulted prior to the announcement of this scheme for modernisation? Were the unions consulted during the course of the actual planning or after, when the plan was finalised?

Answer: "Unions were not told prior to the planning or during the planning, but told when the policy was announced."

Question 14: Would the N.S.W.G.R. regard a demand by the unions to participate in the planning of such a scheme as too much an infringement on the rights of management?

Answer: "The Government Railways Act constitutes the Commissioner for Railways, New South Wales, with power to operate, maintain, etc., the railway system in this state.

"As Commissioner he is responsible to the Government through the Minister for Transport, for the efficient functioning of the Department, and it is his responsibility to plan for the future requirements of the Service."

Question 15: What is the degree of unionisation in the New South Wales Government Railways?

Answer: "Each new entrant into the Service is required to sign an acknowledgement to the effect that he/she will join a recognised Trade Union covering his/her calling.

"Twenty-eight days after commencing service they are required to produce proof that they have complied with the instruction.

"The only exception to this instruction is for certain female employees who receive less than the wage for a junior station assistant under 17 years of age (at present 8.0.0 per week). These females would be the lower classes of gate-keepers, station

attendants, etc., whose hours of labour are determined by the actual requirements of their particular positions, but in any event would total less than 40 hours per week."

Question 16: How many unions are there (and in what capacity do they operate) within the framework of the New Souteh Wales Government Railways? Which of these are state wide and which nation wide in their scope of activities and affiliations?

Answer:

Nation Wide

Australian Railways Union	Covering all railway grades.
National Union of Railwaymen of Australia	Covering all railway grades.
Australian Federated Union of Locomotive Enginemen	Drivers, firemen, etc.
Amalgamated Engineering Union	Mechanical fitters, etc.
Australasian Society of Engineers	Mechanical fitters, etc.
Electrical Trades Union of Australia	Electrical fitters, etc.
Blacksmiths' Society	Blacksmiths
Moulders' Union	Moulders
Sheet Metal Working Union	Sheet metal workers
Boilermakers' Society	Boilermakers
Federated Ironworkers' Association of Australia	Ironworkers, tradesman's assistants, etc.

Vehicle Builders Employees' Federation	Coachbuilders
Australian Timber Workers' Union	Wood machinists
Federated Engine Drivers and Firemen's Association	Train drivers
Railways Professional Officers' Association	Professional officers
Australasian Transport Officers' Federation	Clerical staff, etc.
Amalgamated Society of Carpenters and Joiners	Carpenters
Association of Professional Engineers of Australia	Engineers

Nation wide but only cover employees in this Department under State Awards.

Building Workers' Industrial Union	Building tradesmen
Painters' and Decorators' Union	Painters
Plumbers' and Gasfitters' Union	Plumbers
Plasterers' Society	Plasterers
Australian Workers' Union	Construction labourers
Liquor Trades Employees' Union	Refreshment room staff

State

Female Salaried Officers' Association	Female salaried staff
N.S.W.Government Railways Tarpaulin Repairers' Association	Tarpaulin repairers.

Question 17: What are the most militant (union solidarity) of the unions with which you have contact?

Answer: "The large majority of the Unions shown in No. 16 are members of the Australian Council of Trade Unions (Federal) and the Labour Council of New South Wales.

"The first-named in the trade union policy making body and all affiliated unions are bound to accept and follow such policies.

"All of the unions in No. 16 are active so far as their efforts to improve their members' standards are concerned, but of course the larger unions generally make the running."

Question 18: How have the unions reacted to the actual implementing of these technological innovations?

Answer: "The general reaction from the unions has been fairly good. In general, they realized the need for the changes.

"Demands have been made through the Arbitration Courts for increased margins for:

> Locomotive drivers on the ground that with diesels they were hauling heavier trains at faster speeds; Decision - Increased margins refused.
>
> Permanent Way Staff in mechanised gangs on the ground that greater mileages were being re-railed, etc., by the use of these machines; Decision - not yet handed down."

Question 19: What would the unions regard as an ideal approach, to the problem of the introduction of new technical improvements, by the New South Wales Government Railways? Would the unions in general like a policy of joint consultation adopted by the New South Wales Government Railways?

Answer: "The Australian Railways Union has advocated this joint consultation policy for some time, particularly since dieselisation, etc. Other unions have not been so eager.

"In recent years there has been an increase in management/union relations, relative to major changes, in that the unions have been given the opportunity to discuss changes that have been approved but not put into effect. Dieselisation of the lines bring a prime example, where departmental and union officials visited the areas concerned, and discussed these matters with the men concerned.

"Arising from these discussions, local changes were made, but the major policy remained.

"This, of course, is not joint consultation, but it is an attempt to alleviate any hardships that may occur.

"I personally do not think that joint consultation is workable in this system."

Question 20: Have labour and management clashed on the policy of retraining, gradings, promotions/demotions, sacking pay scale, etc.? If so, could you explain the positions taken on both of these matters and on any others that you feel may need elaborating on?

Answer: "There have been no real clashes between the Department and the Unions on the dieselisation programme. A great amount of consultation has taken place, with the result, that there has been a general acceptance of the Department's policy.

"Employees are afforded the utmost guidance and assistance and they are the first to be informed of the extent of the programme at their location."

Question 21: How does the actual policy (see Question 19) of the New South Wales Government Railways differ from that (re: the implementation of new technological changes) desired by the unions?

Answer: "No answer as given."

Question 22: What is the current demand (projected as well) for labour in your industry? Has there been a greater demand for skilled than unskilled workers, and, if so, why has this situation changed since the immediate post-war years?

Answer: "At present the staff position is stable.

"Traffic grades (station assistants) in the metropolitan area is the group in the greatest demand.

"With the introduction of the electric and diesel-electric locomotives additional tradesmen were required and these have in the main been obtained."

Question 23: How has the job situation changed because of the technological innovations?

Answer: "With the introduction of new forms of locomotion, etc., the Department has sent employees concerned to classes conducted by the manufacturers to enable the employees to learn at first hand the proper procedure to be followed in the performance of their work. For example, tradesmen who have been employed on repairs to steam locomotives have been instructed on the right methods to be adopted on repairs to diesel locomotives - it is still tradesman's work, requiring tradesman's skill, but in a new field."

Question 24: If a man's skill is of no further use to the railways, what happens to him?

Answer: "Permanent employees are never fired and very rarely demoted. Attempts are being made to mitigate the effects upon the work situation by the use of planning. Planning was only partly practiced at Taree."

Question 25: Would you say that there has been a trend for greater or less work opportunities in the New South Wales Government Railways due to these changes?

Answer: "Arising from the dieselisation programme there has been a greater demand for employment of electrical tradesmen.

"Some slackening in demand for unskilled labourers, helped by slowing the Department's recruiting policy."

Question 26: How are wages determined in the New South Wales Government Railways?

Answer: "Those Employees Covered by Federal Awards (approximately 46,000)

"By application being made to the Commonwealth Conciliation and Arbitration Commission. In the first place the Union sends a letter of demand to employers in at least two states. This is done so that an industrial dispute which extends beyond the limits of any one state can be made so that the Commission can function. Under the Conciliation and Arbitration Act an Interstate industrial dispute must be in existence before the Commission can take steps to settle the dispute.

"The letter of demand is always exaggerated - 30 per week basic wage, 30 hour working week, 20 per week margin for tradesmen, etc. - and the Unions say that unless the demand is accepted within a period of 14 days the Commission will be informed that a dispute is in existence. So far as the Railways are concerned

the Unions generally serve the Commissioners in New South Wales, Victoria, South Australia and Tasmania because these States have since 1909 been parties to Federal Awards. As a general rule the Commissioners do not acknowledge receipt of these letters of demands in case the Unions should think that we have accepted them.

"Sometime after the 14 days have elapsed the Unions inform the Commission that they are in dispute with the various Railway Commissioners. The parties are then called before the Commissioners. The parties are then called before the Commission and upon acknowledging that the letter of demand has been received and refused, the Commission will certify that a genuine industrial dispute extending beyond the limits of any one State is in existence and proceed to determine same.

"Such matters as basic wage, standard hours and overtime prescriptions are generally left to be determined when general applications are made and supported by the A.C.T.U. at a future period. The main items generally dealt with are margins, extra payments, disability allowances, expenses and matters which affect the normal day-by-day working of the employees.

"The usual manner of presentation before the Commission is for the applicant to present its case and call any witnesses it desires. The respondents

then have their say plus any witnesses they desire, and the final reply is then made by the applicants. After that the Commission has to give its decision. This decision may be appealed against - however this is very rare - for the reason that it is the A.C.T.U.'s policy not to appeal.

Those Employees Covered by State Awards (approximately 3,000)

"In this jurisdiction letters of demand are not required. The normal procedure is for the applicant to file an application with the Industrial Commission of New South Wales to either make a new award or vary an existing one. The Industrial Commission directs the Union to serve a copy of such application upon the respondent Commissioner, and when this is done, the matter may then be heard. Similar procedure to that outlined above, so far as the hearing of the claim then follows.

"So far as this Department is concerned, the majority of the awards in this jurisdiction are dealt with by a Conciliation Committee for each award. The various parties are evenly represented, and a chairman - a Conciliation Commissioner completes the committee. The chairman determines the matter if all the board members fail to agree, which is normal procedure. An award of a Conciliation Committee may be appealed

against to the Industrial Commission."

Question 27: To what degree is collective bargaining used in the New South Wales Government Railways?

Answer: "Collective bargaining in the American sense is not used."

"Only on two occasions in recent years (1958) have the parties met around a table to confer on award claims where some measure of give and take was applied. A Conciliator, appointed under the Commonwealth Conciliation and Arbitration Act, handled the matter, although he was not in attendance at all the discussions. When the parties had agreed on the matters, he submitted his report and subsequently the award was as agreed by the parties. A Conciliator has very limited powers - he can act, only if both parties agree to accept his decision, and both parties must agree to his report."

Question 28: What appears to be the possible future trends that may become apparent, re: the further introduction of these technological changes and industrial relations in the New South Wales Government Railways?

Answer: "Further dieselisation will be dependent upon two main factors (1) capital available and (2) increasing railway traffic."

No answer was given to the second part of Question 28.

Question 29: Can we draw on overseas experience to see what may happen on the local scene with regard to any patterns (industrial relations) that may establish themselves?

Answer: This question was not answered.

Question 30: Have the railways benefitted from the introduction of these technological changes, and in what way?

Answer: "Dieselisation: The railways have benefitted in that our service has been speeded up as a result of the introduction of these locomotives.

"Less locomotive crews are required through the use of multiple units.

"Less running maintenance is required (coaling, etc.). Greater loads may be hauled.

"Mechanisation of the permanent way: A better track (enabling high speeds) should result from the use of mechanised track laying equipment."

Question 31: (a) What is the productivity per worker in the New South Wales Government Railways? (b) Has this productivity increased with the advent of these new methods? (c) Assuming that the worker is more productive; have pay increases kept pace with increases in productivity per man-hour in the New South Wales Government Railways? (d) Do the railways feel that a man operating a more productive unit of capital equipment is entitled to a higher pay rate?

Answer: "(a) This cannot be determined because it is and industry which covers practically every conceivable occupation, workshop, running station staff, clerical, professional, etc.

"(b) With the advent of new machines more work may be done with less staff but it does not necessarily denote that the operators' productivity has increased. For example, a labourer using a hammer would drive in less dog spikes than a labourer operating a pneumatic machine, but the operating of the machine calls for less skill and less manual effort than using the hammer.

"(c) The Commonwealth Conciliation and Arbitration Commission has announced in its judgements that increased productivity has been one reason for basic wage increases (in other words, it has been taken into consideration in assessing the basic wage), and in the November, 1959 decision relating to margins in the Metal Trades Award, when all current margins were increased 28% (also applied to railway awards), the Commission said that part of the reason for the increase was because of increased productivity on a National level.

"Railway employees have received these increases but they have not received any pay increases because of increased productivity in their own right. They have claimed them but to date they have not been

granted. For example, in August of this year, 1962, the Commission refused to grant to locomotive drivers an increase in margins, and one of the main grounds used by the Union was the increased productivity of the drivers as a result of the increasing use of diesel locomotives.

"(d) No. The factors which determine the margins are skill and disabilities associated with the job, not the amount of capital invested in a machine.

"See (a)."

Question 32: What conclusions can be drawn as to the future of industrial relations in the New South Wales Government Railways?

Answer: "I can see no reason why the present good state of industrial relations that exists between the New South Wales Government Railways and the unions should not continue. Of course, there will always be differences of view between management and union, but as long as both sides are prepared to settle their differences rationally, or accept the decision of those appointed to decide upon these matters, then future relations should be amicable."

APPENDIX

UNION QUESTIONNAIRE

1. What is the total membership of your union?
2. How many of these are employed by the New South Wales Government Railways?
3. Does your union feel that the New South Wales Government Railways' recent implementation of technological change has affected industrial relations between your union and the railways?
4. Are you completely satisfied with the attitude toward your employees by the railways in light of the introduction of these new technological changes?
5. In what way do you feel that new changes in job procedure should be introduced in the New South Wales Government Railways?
6. Does your union feel that all new contemplated technological changes that may affect the labour situation in the New South Wales Government Railways should be discussed with the unions first?
7. For what reasons do you base your answer to question No. 6?
8. Is your union under State or Federal Award?
9. Does your union feel that the advent of these new mechanical devices, etc., necessitates a revision of the present wage determination mechanism?

9b. Could you please explain why you have answered question nine such?

10. In what area and in what way have (if they have) these new technological changes affected your members?

11. Comments and suggestions?

ANSWERS

Question 1: What is the total membership of your union?

Approximately 7,500 in the State of New South Wales.	Boilermakers' Society of Australia (Mr. Hugh Grant, Secretary)
As you can appreciate the vast majority of the membership of this Branch, approximately 22 thousand, are employed in the building construction industry, however, we have some 300 members of the 67 odd thousand employed by the Railways Department.	Building Workers' Industrial Union of Australia (Mr. T. McDonald, Acting Secretary)
6,000	Amalgamated Carpenters (Mr. Harold N.)
10,000	Federated Engine Drivers and Firemen's Association of Australia. (Mr. D. Ferguson, Secretary-Treasurer)
60,500	Federated Ironworkers Association of Australia (Mr. T. Healey)
22,000	Australian Railways Union (Dr. Lloyd Ross, State Secretary)
3,742	National Union of Railwaymen of Australia (H.C.Law, Secretary)

Approximately 11,000 in New South Wales.	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia (T. Wright, Secretary)
9,310	Australian Timber Workers' Union (J.A. Weir, M.L.C. Secretary)
8,000 to 9,000	Vehicle Builders' Employees Federation of Australia (M.P.McCarney, State Secretary)
170,000 in Australia, 35,000 in New South Wales	Australian Workers' Union (C.T.Oliver, Secretary)

Question 2: How many of these are employed in the New South Wales Government Railways?

Approximately 800	Boilermakers' Society of Australia
300	Building Workers' Industrial Union of Australia
Approximately 150	Amalgamated Carpenters
Approximately 150 hired on a weekly basis, occasionally 12 or more on temporary	Federated Engine Drivers and Firemen's Association of Australia
500	Federated Ironworkers Association of Australia
21,000	Australian Railways Union
3,707	National Union of Railway men of Australia
224	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia

120	Australian Timber Workers' Union
1,300	Vehicle Builders' Employees Federation of Australia
1,500	Australian Workers' Union

Question 3: Does your union feel that the New South Wales Government Railways' recent implementation of technological change has affected industrial relations between your union and the Railways?

No	Boilermakers' Society of Australia
Continual conferences between the Railways Department and the Union have taken place during the last five years, dealing mainly with displacement of labour caused by the introduction of diesel locomotion and the failure of the Railways Department, to expand and develop new services to open up new lines, duplication of suburban line (already overcrowded) Technological changes in workshop production has not directly affected building workers, but the effects have. New machinery, new methods of manufacture, replacement of wood with metal (new signalling standards or poles) have created a shortage of work for building workers in that Branch. As a result there is a feeling of bitterness expressed by the workers to the manner that has been adopted in dealing with the labour situation.	Building Workers' Industrial Union of Australia

The year 1951 saw over 1,000 building workers employed in the New South Wales Government Railways, however, in 1952, through economic crises, this was slashed to almost half; since then the introduction of automatic bricklaying and maintenance equipment has further worsened the position.	
Yes, there has been some discontent amongst the men, due to changes in location at work which affects home-life, but mainly among non-Carpentery section.	Amalgamated Carpenters
Very little strife in Railway, only a minor problem.	Federated Engine Drivers and Firemen's Association of Australia
No	Federated Ironworkers Association of Australia
No	Australian Railways Union
We feel that the technological changes which have taken place have not adversely affected the industrial relations between this union and the Department.	National Union of Railwaymen of Australia
Our Union has so far been little affected by technological change, but relationships of all Unions and Department have been affected.	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia
No changes have taken place.	Australian Timber Workers' Union
No	Vehicle Builders' Employees Federation of Australia.
No	Australian Workers' Union

Question 4: Are you completely satisfied with the attitude toward your employees by the railways, in light of the introduction of these new technological changes?

No. Reason - Because the new technological changes have been responsible for a reduction in the numbers of boilermakers employed by the Railways Department.	Boilermakers' Society of Australia
We are far from being satisfied as the attitude of the Department and in addition we feel that side by side with technological changes should go reduction in the working hours, increased leave and higher wage standards. Unfortunately, this does not apply in the Railways Department or in Industry generally.	Building Workers' Industrial Union of Australia
No, we believe that any change which assists the economy of the Department should also benefit the employees. Also there should be a greater consideration for remuneration in Gratuities and job opportunities to redundant employees.	Amalgamated Carpenters
Should the Railways decide to use spray guns instead of brushes; then, the unions should be contacted first and a joint discussion should ensue regarding the effects of the spray gun upon the job position of the union members. The union would not try and stop the use of the spray gun, but it would want to soften any effects it might have, job wise, upon its members. The union also holds, that such discussions improve relations within the industry.	Federated Engine Drivers and Firemen's Association of Australia

No, with the introduction of these new technological changes workers productivity has increased, and the wage rates have not moved in the same proportion, or in fact at all.	Federated Ironworkers Association of Australia
No	Australian Railways Union
I take it that you mean our members and not "employees." The expression "new technological changes" has been given a very broad interpretation within the Railway Department, and within that interpretation, we are not completely satisfied with the attitude of the Department towards our members.	National Union of Railwaymen of Australia
Unions generally have on occasions been critical as to methods adopted by Department in relation to introduction of changes.	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia
No changes have taken place.	Australian Timber Workers' Union
Satisfied yes. - Completely No.	Vehicle Builders' Employees Federation of Australia
Subject to adjustment of wage rates and working conditions, yes.	Australian Workers' Union

Question 5: In what way do you feel that new changes in job procedure should be introduced in the New South Wales Government Railways?

Providing new procedure does not diminish the existing number of boilermakers employed by the Railways Department or interfere with their conditions of employment.	Boilermakers' Society of Australia

We feel that new changes in job procedure should be introduced in the Railway Department, and in industry generally, on the basis of consultation with the Trade Unions and not at the expense of the rights and interests of the workers.	Building Workers' Industrial Union of Australia
Plenty of notice should be given to unions and employees about changes so that they can adjust themselves and any trades, etc., being redundant should be given job opportunities at no less pay at locations close to homes.	Amalgamated Carpenters
No case where this conference policy has been followed.	Federated Engine Drivers and Firemen's Association of Australia
As the New South Wales Railways is what may be termed as a career industry the introduction of job changes should be introduced in a planned manner after discussions with the men and unions involved. These changes in the New South Wales Railways have occurred slowly, intermittently and almost insidiously.	Federated Ironworkers Associaton of Australia
Except in the big issues of dieselisation, and mechanisation of the permanent way, it would have been difficult for the Department to have announced beforehand, what they proposed to do and, therefore, just as difficult for the Union to formulate a detailed programme, which should be followed. For example, there is a big difference between the closing down of a pit, which would deprive say 100 men of their livelihood in a country town in New South Wales, and the removal of one of two station staff in a series of stations.	Australian Railways Union

My view here, very strongly, is that there should be a responsibility of a railway officer, to keep in touch continuously, with technological changes, or all changes, which are made possible because of technological progress, and to inform the Union immediately of these changes.

One of the difficulties that have developed is that reports are prepared by an Officer: these leak out to the staff, who assume immediately that the reports are to be implemented. A good deal of our work is spent chasing rumours, rather than dealing with decisions.

The Commissioner has indicated that his policy is that the Union should be informed of changes, but this is a general decision, which has not always been implemented by any means.

I have no point of view to express in connection with this question.	National Union of Railwaymen of Australia
No sackings - no loss of wages or conditions - compensation for change in location - provision of housing for displaced workers, etc., 35 hours week - increased leave.	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia
No comment.	Australian Timber Workers' Union
By joint consultation.	Vehicle Builders' Employees Federation of Australia
Gradually, and without displacing labour.	Australian Workers' Union

Question 6: Does your union feel that all new contemplated technological changes that may affect the labour situation in the New South Wales Government Railways should be discussed with the unions first?

Yes	Boilermakers' Society of Australia
This Union along with all of the Unions with members in the Railways Department, over a long period of time, had sought an agreement on this principle and in 1956 the then Minister for Transport, Mr. Entiknap, gave such assurance but this has never been carried out.	Building Workers' Industrial Union of Australia
Yes.	Amalgamated Carpenters
No. Just those of significant importance, e.g., spray gun.	Federated Engine Drivers and Firemen's Association of Australia
Yes.	Federated Ironworkers Association of Australia
I certainly feel that this is a basic right of the employee in modern industry.	Australian Railways Union.
Yes.	National Union of Railwaymen of Australia
Yes.	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia
Yes.	Australian Timber Workers' Union
Yes.	Vehicle Builders' Employees Federation of Australia.

Yes.	Australiam Workers' Union

Question 7: For what reasons do you base your answer to question number six?

Discussion between employers, representatives, and the Unions' representatives at all times improves industrial relationship.	Boilermakers' Society of Australia
We are not opposed to technological changes and developments, however, we are concerned that employers generally approach such developments from a profit motive, with insufficient, if any, regard for the interests of the workers.	Building Workers' Industrial Union of Australia
The employees have given good service to the Department and the Union. The Department has a responsibility to protect their interest and affect smooth operation of changes so as to benefit both the economy of the department wages and conditions of employees.	Amalgamated Carpenters
Answered in question 6.	Federated Engine Drivers and Firemen's Association of Australia
If new changes take place these changes may mean the alteration of job classification resulting in loss of take home pay or alternatively the transfer of men from one location to another and possibly from one union to another, such problems can only be overcome by Union discussions.	Federated Ironworkers Association of Australia
The reasons are: First, that since an employee's livelihood is at stake, he is entitled to information, which influences his livelihood: Second, that, since either the Department or the Government -	Australian Railways Union

or the community, benefits from these technological changes, the employee should be placed in a position to be able to express his view on them. Unless he is given information in sufficient time to allow his views to have some influence, then information is a source of discontent, rather than an aid to the solution of the problem. Industrial unrest will certainly intensify, if changes are made and employees or their unions are not informed.	
Personal problems arise as a result of the introduction of technological changes. For instance, members have been called upon to transfer to other locations and, consequently, this causes many domestic problems to arise in relation to obtaining suitable housing. Interruption to education of children also must be considered and changes in employment of children is also another factor that must be taken into consideration as a number of other matters.	National Union of Railwaymen of Australia
Whole economic conditions and future of rail workers must be considered. Solution to financial problems should not be sought at expense of worker or public.	The Sheet Metal Working, Agricultural Implement and Stove-making Industrial Union of Australia
The majority of Union officials have contact with members employed in the Railways and also with members employed in private industry. They visit many factories and are generally up-to-date with advancement in industry.	Australian Timber Workers' Union
Change whether advantageous or not is mostly resisted on the grounds that "It is better to have the devil you know rather than the devil you don't know."	Vehicle Builders' Employees Federation of Australia

To avoid any displacement of labour and if displacement of labour is necessary that it be absorbed in other industries.	Australian Workers' Union

Question 8: Is your union under State or Federal Award?

In the Railway Department, under State, in Private Enterprise, Federal	Boilermakers' Society of Australia
Our Union members working in the Railway Department are employed under the State Award; while the majority of members of this Union are covered by this award, some sections are covered by the Federal Award. It is generally the case that Unions have both Federal and State Awards.	Building Workers' Industrial Union of Australia
Federal	Amalgamated Carpenters
State Award	Federated Engine Drivers and Firemen's Association of Australia
Both State and Federal	Federated Ironworkers Association of Australia
Most of our members are under Federal awards but some are under State awards.	Australian Railways Union
In the main, Federal Award	National Union of Railwaymen of Australia
Federal	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia
The Union has both State and Federal awards.	Australian Timber Workers' Union

Federal	Vehicle Builders' Employees Federation of Australia
State	Australian Workers' Union

Question 9: Does your union feel that the advent of these new mechanical devices, etc., necessitates a revision of the present wage determination mechanism?

Yes	Boilermakers' Society of Australia
To begin with, this Union is most dissatisfied with the present Industrial Tribunals. We believe that the workers have not received the benefit of increased productivity, and therefore they are receiving a smaller and smaller share of the national wealth which they create and the rate of exploitation is accelerated, particularly in regard to such huge monopolies as B.H.P. which is commonly known. So therefore it is not just a question of setting up a new Authority, but the establishment of a new principle on which such Authority would fix wages.	Building Workers' Industrial Union of Australia
Yes	Amalgamated Carpenters
Would favor collective bargaining. Similar occupations in Victoria make 2 to 3 per week more, because they are under wage boards, which are similar to collective bargaining approach. A.C.T.U. favours collective bargaining.	Federated Engine Drivers and Firemen's Association of Australia
Yes	Federated Ironworkers Association of Australia

Yes	Australian Railways Union
We feel that the arbitration Tribunals need to revise their approach on wage determination.	National Union of Railwaymen of Australia
Yes	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia
Undoubtedly, there will have to be a revision of the present wage determination mechanism.	Australian Timber Workers' Union
Yes	Vehicle Builders' Employees Federation of Australia
Conciliation and arbitration is satisfactory if all the parties are prepared to cooperate.	Australian Workers' Union

Question 9b: Could you please explain why you have answered question nine such?

Because the experience of the Trade Union Movement is when employers introduce new methods of production the employer gains and the employees' wages remain as they are at the time of the introduction of new methods of production. There is therefore a constant demand by the Trade Unions to ensure that employees shall benefit from the new methods of production.	Boilermakers' Society of Australia
Question not answered.	Building Workers' Industrial Union of Australia

The wage structure mechanism consists of Basic Wage, Margin, Tool allowance (fares and travelling and loading in some instances mainly casual construction carpenters) also 5/- special (dirt loading) and 10/- to 15/- increemtn by negotiation and independent arbitrator. Whilst the first items are by court decisions we believe they should be higher in accordance with general T.L.C. and A.C.T.U. claims. With economics by the Department, due to changes, other loadings should be increased.	Amalgamated Carpenters
Present system takes too long.	Federated Engine Drivers and Firemen's Association of Australia
In the New South Wales Government Railways due to its diversity of occupations and the areas in which the changes are taking place it becomes necessary for classifications to be reviewed quite frequently. Example: a Fitter was once an unskilled labourer, today due to the technological changes he has to be able to utilize an amount of mechanical skill.	Federated Ironworkers Association of Australia
The basic issue here is the way in which the employee can share any of the benefits of technological change. I do not believe that it is sufficient for this benefit to be obtained through alterations in the basic wage. My view is that there must be developed a closer link between the technological changes in a particular industry, and the benefits for the employee in this industry. If the employee does not benefit from technological changes, then two things happen. Possibly, the gap between the skilled and the unskilled will be widened and I	Australian Railways Union

take the view that this is already wide enough. Or, alternatively, since technological changes frequently reduce the work values upon which wage determinations are made, then there will be a tendency for lower wages, which to me is opposite to the policy that should be followed in a period of increasing productivity.	Australian Railways Union (continued)
We feel that because of the impact of technological changes upon the personal lives of members that provision should be made in Awards to fully reimburse members who are required to move from one location to another, particularly in the country.	National Union of Railway men of Australia
In view of changes in industry generally increased production, etc., the unions generally feel an urgent need to lift wage levels and introduction of more direct negotiation and agreements with Department.	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australis
While in this revision the skilled man could go higher, probably the same number of highly skilled men would not be required which could mean a larger percentage of semi-skilled or unskilled workers. The question of industry's capacity to pay is a vexed one and I know from experience that many firms in the last two years, owing to competition and rising prices, have gone out of business. Our bush section of the industry also seeks a tariff protection.	Australian Timber Workers' Union
Technological changes in Industry are introduced for at least two reasons - 1. To produce more rapidly than previously with less manpower.	Vehicle Builders' Employees Federation of Australia

2. To return a greater amount of profit than that acquired previously.	Vehicle Builders' Employees Federation of Australia (continued)
This being so the Unions feel that if work is to be performed with less manpower, ensuring greater profit then an increasing amount of this profit should be shared with the employees who so produce it. This is best ensured by constant upward revision of wages.	
The Australian Workers' Union is pledged to the system of Conciliation and Arbitration by an overwhelming vote of its members. As an official I speak with some 25 years' experience in the system.	Australian Workers' Union

Question 10: In what area and in what way have (if they have) these new technological changes affected your members?

This has already been answered by the reduced members of boilermakers now employed in the Railways Department as against the numbers employed prior to the new technological changes.	Boilermakers' Society of Australia
Question not answered.	Building Workers' Industrial Union of Australia
I must point out that our members have not been affected a great deal in comparison to A.R.V., A.F.V.L.E., A.S.E., E.T.V., A.E.U., etc., have, and it would mainly affect our members as to change of location or district.	Amalgamated Carpenters
With the wider use of concrete and steel (lockers, cabinets, etc.) it requires less maintenance than timber therefore less Carpenters.	

No changes have taken place.	Federated Engine Drivers and Firemen's Association of Australia
Members of our union have been affected mainly due to the introduction of Diesel locomotives. This has meant in some instances a change in location, a decline in requirements of members, and in some instances a reduction in wages.	Federated Ironworkers Association of Australia
The following changes have occurred: A. A group of about 200-300 employees, who were casuals at Albury, have been dismissed. B. A small number of employees have in fact been dismissed as result of the introduction of mechanical gates. C. Dieselisation led to the transfer of a large number of employees from country districts, to Newcastle and Sydney. It is not possible to claim that these transfers had serious consequences on the social life of the country towns, although at different stages, I believe there was a tendency for House values to fall. The introduction of technological changes in the Permanent Way, has resulted in the movement of men from isolated areas, nearer to country towns, where clearly the social amenities were much greater than were possible along the isolated tracks. The social changes mainly concerned with housing problems, however, have been quite serious in the transition. Due to a negotiated agreement between the Department and the Union, the Union was able to obtain an increase in wages for some of the men who were placed in mechanised gangs. The Union argument here was: (1) That employees should benefit from the changes. (2) That one of the new skills that was required was the development of organization, and that this should be incouraged by granting the men a margin.	Australian Railways Union

Members throughout the State have been affected by technological changes in the New South Wales Railways Service. Again, I repeat that this is applying the broad interpretation as mentioned earlier.	National Union of Railwaymen of Australia
Question not answered.	The Sheet Metal Working, Agricultural Implement and Stovemaking Industrial Union of Australia
No changes have taken place.	Australian Timber Workers' Union
In the early days of the Railways both carriages and trucks were chiefly constructed of timber. With the advent of time and change a large percentage of the timber carriages and trucks have been replaced by those constructed of steel. Our members did the major portion of the work on the timber carriages and trucks but with the advent of steel this work mainly passed to fitters, boilermakers and sheet metal workers. The prime duty of the Carriage Builder who previously built in timber is now the removal and replacement of standard items and this has reduced the number of men required. As this has been a gradual change over the past thirty years no dislocation of labour has been felt in this Union.	Vehicle Builders' Employees Federation of Australia
Mining, all types of factory work, heavy construction work, agricultural, pastoral, have all benefited immensely from the mechanisation. The C.S.I.R.O. is an instance of what is being done to improve output from the land.	Australian Workers' Union

COMMENTS AND SUGGESTIONS?

I would also like to point out that changes which are taking place in technology in the general run of building industry, affects the carpenters in the Railway Romset guns instead of plugging save time electric and air guns to drill holes in brick and concrete, Power saws (portable) Power etc. also shorten the time spent in a particular job.	Amalgamated Carpenters
In answer to question 4, I intimated that we were not completely satisfied with the attitude towards our members by the Railway Department. In clarification of what I said there, I would like to state that a consistent approach is not adopted throughout the New South Wales Railway Department. The Mechanical Branch, for instance, adopts one line of approach towards the question of whether an employee owns his own home or not, and the Way and Works Branch adopts another. In the Mechanical Branch, the following applies: 1. Staff who become surplus are given the maximum possible time to adjust their commitments before transfer to another location. 2. The order of transfers will be: (a) Applicants who have been noted for transfer in their approved order. (b) Volunteers desirous of transfer. (c) Single men in their order of seniority. (d) Married men in order of seniority. No discrimination between home owners and those with rented homes.	National Union of Railwaymen of Australia

National Union of Railwaymen of Australia (continued)

In the Way and Works Branch, under "2 (d)" married men are transferred in order of seniority but there is a discrimination between house owners and those who are renting homes.

We feel that the weakness here is the inconsistency between the two Branches, and representations were made in order to endeavour to remove the inconsistency, but without success.