



PRIME MINISTER

Press Statement No. 298

13 August 1974

PREMIERS' CONFERENCE - 13 AUGUST 1974

The Premiers' Conference decided today on the establishment of working parties to examine areas where joint action by the Australian Government and the State Governments might be taken in order to restrain inflationary pressures.

The working parties will examine questions in the areas of:

- . Tendering procedures for Government contracts X
- . Measures to reduce the multiplicity of wage fixing tribunals X
- . Joint action before wage fixing tribunals to limit wage increases X
- . State legislation to support the jurisdiction of the Prices Justification Tribunal X
- . The possibility of introducing taxation penalties on excessive wage increases.

Government Tendering Procedures

A working party of officials from the Australian Department of Housing and Construction and their equivalents in each State will report on the practicality of drawing up firm rules on the maximum increases in costs acceptable under Government tenders, including limits on the movements in wages under rise and fall clauses in continuing contracts.

Industrial Tribunals

A working party of officials from the Australian Department of Labor and Immigration and State Departments of Labour will draw up proposals on practical steps to reduce the

multiplicity of wage fixing tribunals and the problems in respect of the fixation of wages and working conditions that this gives rise to.

Action to Limit Wage Increases

A working party of officials from the Australian Department of Labor and Immigration and State Departments of Labour will examine, in the light of the proceedings which have been taking place in the Moore Conference last week, the practicability of the seven Governments making a joint application to the Australian Conciliation and Arbitration Commission, to limit wage increases to an indexed amount related to cost of living increases, with some provision to deal with anomalies. The working party will also examine the practicality of legislation by the Australian Government and the States to ensure that this principle is observed by State wage and salary fixing tribunals.

Prices Justification Tribunal

A working party of Australian and State Government officials will explore the practicality of legislation by the States to extend the jurisdiction of the Prices Justification Tribunal. A purpose of this legislation would be to allow the Tribunal to disregard, as a justification for price increases, increases in wage costs in excess of wage movements resulting from indexation and the correction of anomalies.

The working party will also consider the possibility of legislation to regulate fees for professional and other services.

Taxation

A working party of Australian and State Government Taxation officials will examine the practicality of measures to impose penalties, through company and payroll taxes, on companies which grant excessive wage increases.

The Premiers referred to the budget difficulties all States are facing in 1974-75, and sought additional general revenue assistance from the Australian Government. The Prime Minister recognised that since the June 1974 Premiers' Conference the States had taken action to improve

their budget situations - by way of an increase in the rate of payroll tax and increases in other taxes and charges.

The Australian Government put the view that the remaining budgetary "gaps" must be closed by the States themselves, in ways they individually think best and that the present financial assistance grants arrangements should be allowed to run their course. However, the Prime Minister undertook to look at the problems of the States within the context of the examination next week of the Australian Government's overall budgetary situation.