



# PRIME MINISTER

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## NATIONAL WAGE CASE INQUIRY

The Prime Minister is writing to Premiers to seek their urgent cooperation in the examination of ways and means of achieving consistency between the wage fixation processes and economic objectives.

He said that he believed that the State Governments would see this objective was essential in order to enable the economic problems confronting the Australian community to be resolved effectively. Resolution of these problems was critical for those who are seeking work now and those who will be seeking work in the future.

Wage fixation processes involve both State and Commonwealth Governments. The Prime Minister said that he was firmly of the view that all Governments share the responsibility to achieving the maximum possible consistency in wage policy. The alternative was to open the way again to "leap-frogging" in wages and related benefits, which could in turn lead only to spiralling labour costs and reduced job opportunities. The social and economic costs of such an outcome would be totally unacceptable to the Commonwealth Government.

The Prime Minister said that the Commonwealth Government was particularly mindful that the Conciliation and Arbitration Commission, in its national wage decision on Tuesday, said that there is mounting pressure for wage increases outside the wage indexation guidelines. The Commonwealth Government shares the Commission's concern at these developments and will continue to take such actions as are within its power to ensure that those pressures are not successful. The Prime Minister said he believed that the State Governments also recognised the dangers of these pressures and he would be urging them to act accordingly within the framework of their own powers.

The timetable the Commonwealth Government was setting for the examination of ways and means of achieving consistency between wage fixation processes and economic objectives was a tight one, in keeping with the importance of the matter, and he expected it to be completed by the end of January 1979. The examination would involve issues which would need to be taken up with the States, and he was asking each of the Premiers to nominate an officer whom his officers could contact.

The Prime Minister said that he believed the Premiers would appreciate the importance of this matter for the well-being of the Australian community, and he hoped that they would, accordingly, cooperate with the Commonwealth.