

FOR PRESS

Statement by the Prime Minister

MARGINAL INCREASES

The recent decisions of the Conciliation Commission regarding margins and the application in a number of cases of the marginal percentage increase even to high salaries made it necessary for the Public Service Board to make increases right along the line in the Second, Third and Fourth Divisions of the Commonwealth Civil Service, the top adjustment being £775 a year. These increases are being in effect challenged by the Public Service Associations on the ground that they do not represent a 28% adjustment. These changes have, however, made it necessary to review the salaries of Permanent Heads and certain Statutory Officers since, without substantial adjustment, many of them would be receiving less than Second Division officers employed under them.

The salaries of these officers are within the authority of the Cabinet which has now decided to approve an increase of £900 a year in the salaries of Permanent Heads. The salaries of the principal officers of Statutory Corporations and those others which are determined by the Government will now be reviewed in the light of this decision. The date of adjustment will be the 3rd December, 1959, which is the general date applying to other sections of the Commonwealth Public Service.

Cabinet also decided that the Secretary of the Department of External Affairs should be placed in the higher of the two categories which apply to Heads of Departments.

I think I should emphasise the fact that these changes in salary, together with those previously announced, have been made unavoidable because of the new doctrine which appears to have been adopted that the salary even of a highly paid executive should be divided into the basic wage plus a margin and that that margin should vary just as does the margin of a skilled tradesman, such as a fitter and turner. We know of no other country in the world in which such a strange and indeed dangerous conception applies. Should it become accepted as a settled doctrine there may well be damaging consequences in Australia.

CANBERRA.

11th February, 1960.

- - - - -