



## PRIME MINISTER

PRESS STATEMENT NO. 294  
5 August 1974

PRICES JUSTIFICATION TRIBUNAL - REPORT ON PROPOSED INCREASES  
IN INTERSTATE FREIGHT RATES BY  
MAYNE NICKLESS LIMITED

I have received the attached report dated 2 August of the Prices Justification Tribunal on proposals by Mayne Nickless Limited to increase interstate freight rates by 18 per cent.

The Tribunal considers that an increase of only 12 per cent would be justified, operating no earlier than 15 August.

In its submission, the company relied principally on increased costs arising from the Consent Award of \$25.40 increase per week in the wages of drivers operative from the beginning of the first pay period commencing on or after 8 July. After close examination and reference to recent contested awards, the Tribunal was not satisfied that increases in wages beyond \$16.00 per week could be regarded as a justifiable reason for raising prices. I note, however, that the Tribunal accepted cost increases resulting from the wage increases awarded in the National Wage Case.

As foreshadowed by the Treasurer in his statement in the House of Representatives on inflation on 23 July, the Tribunal has been invited by the Government to scrutinise with care price claims that are based on wage costs in excess of awards. The Government is pleased that the Tribunal has acted in accord with the spirit of the Government's invitation. Those making "sweetheart" agreements have now been clearly warned. I fully agree with the Tribunal that "this is a burden which should properly be borne by those who agreed to the increases in wages rather than by requiring the community at large to carry the entire amount."

CANBERRA. A.C.T