



HA (12/4)

PRIME MINISTER

JOINT PRESS STATEMENT - GOVERNMENT/EMPLOYER TALKS

Representatives of the Government and the National Employers' Policy Committee - comprising the Associated Chambers of Manufactures of Australia, Australian Council of Employers' Federations, Metal Trades Industry Association, Australian Mines and Metals Association, Australian Woolgrowers' and Graziers' Council and Australian Bankers' Association - met in Canberra today.

The meeting was chaired by the Prime Minister and attended by the Treasurer, the Minister for Primary Industry, the Minister for Employment and Industrial Relations, and the Minister for Business and Consumer Affairs.

The employer representatives were led by Mr Max Dillon, Chairman of the National Employers' Policy Committee. A list of those attending is attached.

The discussions, which ranged over the economic situation, industrial relations and economic policies were frank and productive. It was agreed that similar discussions are desirable from time to time.

THE ECONOMY

There was unanimous agreement that in formulating its economic policies the Government should continue to give the control of inflation the highest priority.

In this connection it was recognised that continuing high inflation was the major bar to sustained economic recovery and the reduction of unemployment. Particular stress was laid on the implications of current inflation rates continuing for Australia's international competitiveness,

Jobs, and indeed the whole future of the Australian economy, were being progressively threatened. Under these circumstances there is growing evidence of Australian industry moving its production and employment to other countries where costs are lower. This is a cause of great concern to employers and the Government. There was general agreement that these facts needed to be more widely appreciated by the Australian community, particularly within the wage-bargaining context.

The employer representatives stressed their wish to see early implementation of the remaining aspects of the Mathews Committee recommendations pertaining to company taxation.

Ministers noted the existence of technical problems in the implementation of the Mathews Report and indicated that early discussions between Ministers and their advisers, on the one hand, and experts from a wide range of industry groups on the other hand, have been arranged.

More generally, the Government spelt out clearly the constraints upon it in making its Budget decisions, and these were fully recognised by the employers.

The employers pointed out the need for the Government to recognise the high degree of dependence of certain industries on Government orders and that in adopting policies to reduce expenditure this should be understood. They made the point that of equal importance to the size of the deficit was its composition. However, they acknowledged that, in line with the over-riding need to give priority to reducing inflation, there was a clear need to hold the Budget deficit to below the level of that for 1975/76.

EMPLOYMENT

subject to the recognised need to reduce the deficit, employers indicated a desire for action to stimulate economic recovery and increase employment generally. They underlined the special problem of unemployment among young people.

The Government agreed that there should be discussions between the Department of Employment and Industrial Relations and representatives of employers on this matter.

PRICES POLICY

The employers stressed the serious consequences of continued increases in costs. These include not only costs of labour, but Government charges, including State Government charges.

In this connection, particular attention was drawn not merely to the approaching National Wage Case, but also to major claims impending, including one for shorter hours in the power industry.

The employers indicated that the statistics of industrial stoppages showed the extent of pressures being placed on individual employers and the economy, and underlined the need for firm Government policies in this area.

PRICES JUSTIFICATION TRIBUNAL

The employers indicated their view that, in the present economic circumstances, the Prices Justification Tribunal could be retained in the interests of maintaining a climate for wage restraint. They would, however, be suggesting some modifications in its charter. It was agreed that there should be further detailed discussions between employer representatives and the Minister for Business and Consumer Affairs.

WAGE FIXING TRIBUNALS

The employers considered that there were important wage cost consequences stemming from the multiplicity of industrial tribunals. They urged the Government to rationalise the tribunals within the Commonwealth's own jurisdiction.

TRADE PRACTICES

The employers put strongly their view that if they were to be subjected to restraints in respect of trade practices, the unions should not be exempt.

SHIPBUILDING

It was noted that discussions were proceeding on the shipbuilding industry, an industry which is endangered by low productivity and intense import contribution.

2 July 1976

NATIONAL LEVEL DISCUSSIONS BETWEEN THE GOVERNMENT
AND REPRESENTATIVES OF THE EMPLOYERS
PARLIAMENT HOUSE, CANBERRA : 2 JULY 1976

ATTENDANCE

GOVERNMENT

The Rt Hon Malcolm Fraser, MP, Prime Minister

The Hon P R Lynch, MP, Treasurer

The Hon I McC Sinclair, MP, Minister for Primary Industry

The Hon A A Street, MP, Minister for Employment and
Industrial Relations

The Hon J W Howard, MP, Minister for Business and Consumer
Affairs

The Permanent Heads and senior officers of the Departments of
Prime Minister and Cabinet, Treasury, Employment and Industrial
Relations, Business and Consumer Affairs, and Industry and
Commerce also attended.

The Chairman of the Public Service Board and the Chairman of the
Prices Justification Tribunal were also present.

EMPLOYERS

The following representatives of the National Employers' Policy
Committee - comprising the Associated Chambers of Manufactures
of Australia, the Australian Council of Employers' Federations,
the Metal Trades Industry Association, the Australian Woolgrowers'
and Graziers' Council, and the Australian Bankers' Association -
were present:

- Mr M Dillon - Chairman, National Employers' Policy Committee (N.E.P.C.), Past President of the Australian Council of Employers' Federations (A.C.E.F.), President of the Associated Chambers of Manufactures of Australia (A.C.M.A.)
- Mr A N Edwards - National President, Metal Trades Industry Association (M.T.I.A.)
- Mr S G W Burston, O.B.E. - Australian Woolgrowers' and Graziers' Council (A.W.G.C.)
- Mr F F Espie - Immediate Past President, Australian Mines and Metals Association; Deputy Chairman, Conzinc Riotinto Australia Ltd
- Mr T B C Bell, A.O. - Chairman, Australian Bankers' Association; Group General Manager, The National Bank of Australasia Ltd
- Mr G Polites, M.B.E. - Secretary, N.E.P.C.; Executive Director, A.C.E.F.
- Mr R Fry - National Director and Chief Executive, M.T.I.A.
- Mr N Mason - Director, Chamber of Manufactures of New South Wales
- Mr E Cole - Chief Industrial Officer, A.W.G.C.

SECRETARIAT

Messrs B J Hodgetts, G C Burke and G W McGill,
Department of Employment and Industrial Relations.