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PRIME MINISTER

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NATIONAL WAGE CASE

The announcement today by the Full Bench of the Conciliation and Arbitration Commission in the national wage case marks the end of the incomes and prices pause.

The pause which had the support of the seven Heads of Government in Australia seemed to offer a unique opportunity to break the incomes prices spiral and thus slow down inflation.

Employer bodies gave substantial cooperation with the result that a prices pause has effectively been in place since 13 April.

This was recognised in today's decision from the Conciliation and Arbitration Commission.

In his judgement today, the President of the Commission, Sir John Moore said: "We are satisfied with the prices for a wide range of goods and services have been held stable since the 13 April agreement of the Heads of Government on a voluntary wage-price pause. In particular, those subject to surveillance by the Prices Justification Tribunal, covering some 3449 companies, and those under the authority of Commonwealth, state and local governments, have held back price increases and will continue to do so. And we have no reason to doubt that for the present, many prices beyond those covered by the above have been frozen pending our decision."

In a supplementary statement the Public Service Arbitrator, Mr Taylor, was even more emphatic. He said: "I am satisfied that since 14 April, 1977, i.e. since the call of the seven Heads of Government for a three month wage-price pause, there has

been a substantial holding of prices. I am aware that the agreement sought by the seven Heads of Government has not eventuated, in the main because of the refusal of the unions to accept a wage pause, but nevertheless the announcement acted as a catalyst to spark off an immediate price pause and it is significant that the pause commenced shortly after the awarding by the Commission of the last national wage increase of \$5.70 per week to all wage and salary earners."

Regrettably trade union leaders refused to cooperate, even in principle, in the initiative which the Heads of Government took and which the price setters supported.

The State Labor governments progressively undermined the initiative until finally the Premier of South Australia formally withdrew from the agreement. The State Labor governments refused to participate with the Commonwealth in a joint approach to the Commission. They opposed the implementation of a wage pause at the national wage case hearing, until Mr Dunstan in an eleventh-hour effort to influence the Commission, broke his agreement with the other Heads of Government.

The increase granted by the Commission only six weeks after the \$5.70 increase in the wages awarded in the previous national wage case means it would be unreasonable to expect employers to go on holding prices at this time. In these circumstances, we shall be advising the other parties to the Heads of Government agreement that we consider the pause should be formally terminated.

In his judgement, Mr Justice Moore recognised the value of the pause. He said: "On 19 April we said that employers generally had agreed with the government about prices and we expressed the hope that agreement would be reached about wages; and we still have that hope. This decision does not, of course, close the door to any future proposals but provides a proper base

for a more fully defined and viable wage-price pause. The Commission would make itself available quickly to do what it could to assist in implementing such a pause and the impending inquiry into wage fixation methods could provide a ready vehicle."

The pause has demonstrated that headway can be made in controlling the rate of increase in wages and prices by efforts from members of the community.

I would hope that all parties - employers and unions - will exercise restraint to ensure that the gains made during the voluntary price pause are not lost. They can be built upon. Let us continue our efforts.

The strength of the support which Australians everywhere gave to the pause shows the concern the public feels about inflation.

I am sorry that the Commission did not award a smaller increase in wages. This would have ensured a more rapid slow down in inflation.

Nevertheless, the decision to discount for the effects of devaluation on prices is very much welcomed.