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# PRIME MINISTER

FOR MEDIA

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## ELECTROATE TALK

Last week I spoke to you about the nature of the meetings to be held during this week with employers, the Australian Council of Trade Unions and with the Premiers. Among other things, I suggested that too much should not be expected of the meetings - that if we only succeeded in achieving a better understanding of where we all stood, of our roles and responsibilities in the post-indexation period that alone would be a significant achievement at this time. I believe that the results of the meetings, of the thinking and of the talking that went on among all participants in preparation for them, contained many more positive elements than has so far been acknowledged by media commentators.

In particular, the meeting with the Premiers resulted in a joint statement by all Governments which offers constructive basis for future developments in the wages and industrial relations area, a statement which received less media attention than it deserves.

The first, and most important thing to be said is that all parties to the meetings agreed that the initial community reactions to the abandonment of the wage indexation system overlooked the fact that there is a fully functioning wage determination system, a system that remains in operation, and which is capable of providing for the fair and orderly treatment of legitimate wage claims now that indexation has gone. Central to that system is the Conciliation and Arbitration Commission which has statutory obligations not merely to seek to resolve industrial disputes, but also to consider wages and other industrial claims in the light of the interests of the community as a whole, and to take into account the state of the economy, especially inflation and employment. The Commission will hear claims that are put to it, and will assess those claims in terms of its own responsibilities.

It was agreed at the meetings this week, and especially at the special Premiers' Conference, that it would help in re-establishing the system of hearing individual industry pay claims if a major industry claim could be dealt with soon, so that the guidelines to be used by the Commission in handling individual cases could be established, and a possible source of uncertainty removed. The Premiers also asked the Confederation of Australian Industry and Australian Council of Trade Unions to agree to consider how claims currently being made could be brought forward in an orderly and equitable manner, and so that the interests of lower paid, less industrially strong sections of the workforce would be given protection.

The fact that all of the meetings confirmed a strong commitment to Australia's centralised wage determination system offers the best possible prospect for ensuring that stability prevails. In one sense, of course, to talk of our system as centralised is to overlook the fact that each state has a separate tribunal for dealing with state awards.

It was agreed among the Premiers that orderly processing of wage claims, and fair and consistent treatment of employees throughout Australia requires that Commonwealth and state tribunals should develop consistent procedures, and the Commonwealth and all state Governments have asked the presidents of their tribunals to meet urgently to work towards this objective, and to eliminate the dangers of state-by-state leap-frogging of pay claims.

Individual industry cases are not the only form of wage case that will occur under the new circumstances. In announcing its decision to abandon wage indexation, the Arbitration Commission stated a national wage case would be held in 1982, in which general economic conditions would be considered. The Commonwealth and state Governments, in another important decision, committed themselves to work towards the establishment of agreed principles that might be put to this national wage case. All Ministers for Labour have been asked to meet soon to commence this task. All of these decisions, and the expressions of attitudes which emerged in the course of the week, provide proof of the willingness of all participants to recognise their responsibilities in the wage determination process; to recognise that the benefits of economic growth should be distributed across the whole community, not just to the large and powerful whether businesses or unions; to recognise, therefore, that there are limits to growth of wages possible in any one year.

For its part, the Commonwealth Government informed all participants of its view that its role in the new circumstances would be limited to involvement in major cases, such as the national wage cases, cases involving claims for reduced standard hours, and major industry test cases. There is, I believe, a clear understanding now emerging that the Commonwealth's ability to control wages is limited in constitutional terms, and practical terms. There are indirect means of control through the Government's influence over the economic climate. These can be exerted through the Budget, monetary and fiscal policies, tariffs, and the exchange rate. These can be used in developing a general economic framework designed to boost the growth of the economy while acting as a counter against excessive wage expectations. In any event, we have never sought to control wages, but rather to seek to ensure that wage growth is consistent with sustained improvements in the standard of living.

With the spirit of co-operation revealed at the meetings this week, and a continued willingness to make the system work, the prospect for stable industrial relations, and attainment of those sustained improvements in living standards, is substantial indeed.