



## PRIME MINISTER

FOR MEDIA

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One of the most important results of the National Economic Summit Conference was that during the period of wage restraint increases in dividends and non-wage incomes such as directors' fees should also be subject to restraint.

Accordingly, I have written to the leaders of many public companies in Australia seeking their support for restraint in this area.

Through this statement I would like to extend the request to every company in Australia.

A central theme of the Summit was the common recognition that economic recovery will require restraint in expectations and claims from all sections of the community, except the impoverished.

More specifically, Summit participants agreed that if restraint was to be exercised, then it would be universal.

It is important that non-wage incomes do not increase faster than movements in wages.

Employers' representatives at the Summit recognised that during the period of wage restraint, dividend increases should also be restrained.

They agreed to recommend this course to their organisations.

It was also agreed that the Government recommend restraint in non-wage incomes to all public companies.

The Summit recognised that for many companies the recession had led to reduced dividends, and restoration of reasonable profitability was some way off.

Nevertheless, I would hope that in the spirit of shared restraint so evident at the Summit, priority in applying funds in the course of recovery would be given to restoring and expanding job opportunities, ahead of improving dividends.

The Government is conscious that restoration of adequate growth in the economy will not be easily or quickly achieved, and that recovery will require consistent application of a range of policies.

All of us at the Summit were agreed, however, that viable and equitable arrangements for securing mutual restraint in incomes were quite central.

It is with this sense of the importance of what we are undertaking that I am seeking the support of the whole of the business community in this matter.

I and my Ministers are also engaged in discussions with the ACTU to ensure that the spirit and intent of the Summit is adhered to in respect of wage incomes in line with the prices and incomes accord.