



PRIME MINISTER

E & O E - PROOF ONLY

TRANSCRIPT OF PRESS CONFERENCE IN SYDNEY - 2 JULY 1986

JOURNALIST: Mr Hawke, would you like to see a national superannuation scheme?

PM: Well, what I would like to see is this sort of situation emerge. First of all let's take the fact. The fact is that about 50% of the Australian workforce currently enjoys superannuation. So it is an inevitable fact of life, whatever political persuasion or wherever you are, it is the fact of life that in the coming years it will be natural that the people who haven't got superannuation will aspire to get it. And that is a legitimate aspiration. So what I want to see happen is under the control and regulation of the Arbitration Commission the gradual, and I emphasise the gradual, extension of that to the rest of the workforce. And it should be done in a way which matches the capacity of industry. There are some sections of industry which today would not have the capacity to extend that benefit. But over the next two or three years as productivity increases that improvement in productivity I think should in part be applied to extending that benefit. And if at the end of that process of what I hope will be peaceable negotiation under the control of the Commission, if at the end of that process there is a very small proportion of the workforce not being covered then that would be appropriate at that point for the national government to have some sort of safety net which picks up the rest of the workforce. That is how I would like to see it happen and essentially after a few of these initial little bubbles get worked out I think that's what will happen.

JOURNALIST: How do you think the Arbitration Commission can introduce a normal scheme with so many breakaways now occurring?

PM: Your in the media and you know that prominence tends to be given to the most dramatic but we are here in a scientific institution and it is very important to try and get the statistics right. I mean you are seeing a couple of dramatic outbreaks at the moment but overwhelmingly, in statistical terms, overwhelmingly the process will be as I have said. The Commission I understand is going to be meeting under the Chairmanship of the President, Justice Maddern, on Monday and it is my hope and expectation that out of that meeting the sort of orderliness that I am talking about will brought into the process.

JOURNALIST: And what have you got to say to the wharfies who are out on strike at the moment?

PM: I hope that as I say that that will quickly come back into the orderly process following that meeting on Monday. That is my hope. Again it fascinates me that the headlines have been given to the fact that the wharfies are out now and there is a bit more strife, strife that I would rather not see. But to be fair again to the workforce, you have had in this last year and the last three years a dramatic diminution of industrial disputation. We now have the lowest level of industrial disputation for about 20 years. So let's give credit where it is due and where they deserve a little bit of a rap across the knuckles. If they do well let's give it but let's be fair about it.

JOURNALIST: Mr Hawke, in the light of today's opinion poll in the Bulletin, perhaps you might be using that

PM: No. You just have a look at who is the preferred Prime Minister. I know who would want to do the swapping in the polls. That is said modestly.

JOURNALIST: Do you think employers will be willing to negotiate under a national scheme?

PM: Well, I don't want to pre-empt the meeting, the very important meeting that Mr Justice Maddern will chair next week. I believe that out of that meeting their should come a willingness to negotiate. But I repeat it has got to be a staged process and where there is not the capacity then there shouldn't be a pushing for that in those areas where there isn't a capacity. It should be spread over a period of two or three years.

JOURNALIST: Prime Minister, a question on politicians salaries. The Government hasn't accepted the full recommendation of the Remuneration Tribunal but accepted the 9.2% increase in allowances. Do you think that is economically responsible?

PM: It certainly is. It is merely in line with what has happened in costs in those allowances. And it is minor compared to what the major recommendation of the Tribunal was. They wanted us to take an 11.7% increase in salaries and there is no doubt that historically that is justified. The private sector workforce, the public sector workforce, the people that Ministers and Members of Parliament are dealing with in the public service, they have had that 11.7%. Members of Parliament haven't and I don't think that people should just jump on the bandwagon of saying that politicians salaries should be forever pushed down and down and that they shouldn't recognise that the community has a value in trying to attract people of calibre into the Parliament. And you won't do that if you continuously press down their remuneration. The anomaly is there, it is justifiable if you look at it of itself but it should be rectified and the Tribunal has said that it should. However, having said that I said to the Cabinet that we are saying to the community that there must be restraint and I don't believe that I could expect the rest of the community to

exercise restraint if I agree to that 11.7% increase beyond the national wage increase in salary. I said to the Cabinet that I think that shouldn't happen. To its credit the Cabinet agreed with me and so that will be the position. So we won't be taking that 11.7% that has been recommended and I hope that others in the community will, in those circumstances where they are not under the constraints of arbitration tribunals, people who are able to set their own salaries, will take a lead from what we are doing so that that restraint will be exercised. It goes back to the sort of thing I was saying before. All of us would like to grab what we can I suppose now and say well that's beaut, that will give us some satisfaction. It is much more intelligent to have a longer time scale in your thinking and there is no doubt that present restraint exercised will now will pay great dividends for us all in the years ahead.

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