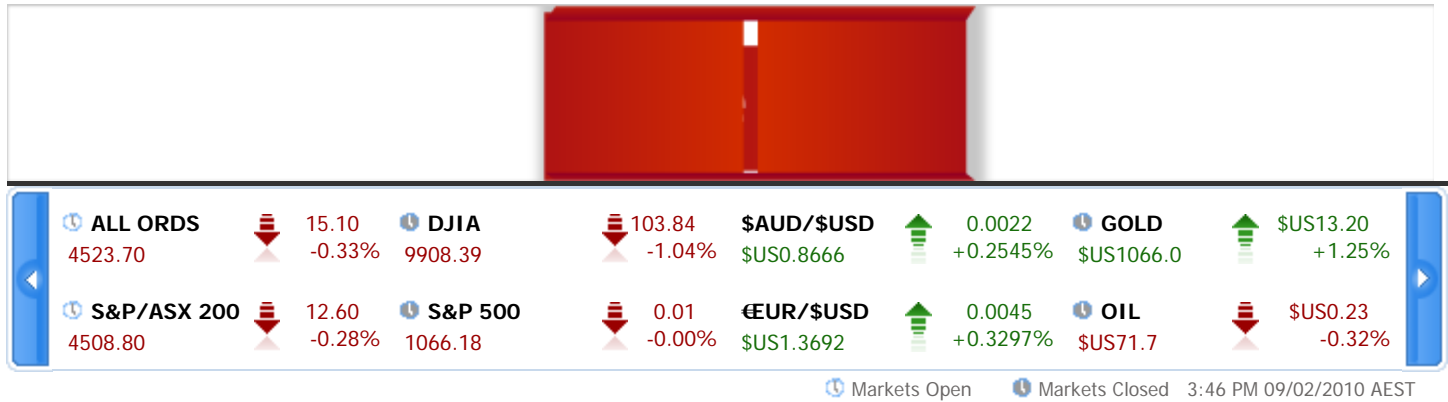


The Australian



ASX Find a broker

Enter ASX code or company name for the latest stock quotes information

GO

Former Labor finance minister warns of wages blowout

- Nicolas Perpetch
- From: **The Australian**
- February 04, 2010 12:00AM

FORMER Labor finance minister Peter Walsh believes the \$50,000 pay rise without productivity trade-offs won by offshore oil and gas workers could lead to a repeat of the 1974 wages breakout.

His fears were backed by Melbourne barrister Stuart Wood, who acted against the Maritime Union of Australia in the 1998 waterfront dispute. He ridiculed union leader Paddy Crumlin's comment that critics of the pay deal had an outdated understanding of productivity.

"Prior to the last election it was predicted we would see a return to 1970s-style wage breakouts. Now we're seeing them. Who are the dinosaurs?" Mr Wood said.

Shipping company Total Marine Services agreed to wage and allowance increases of up to \$50,000 after a series of sanctioned strikes by MUA workers servicing offshore rigs.

The mining industry yesterday also attacked the union for refusing to discuss "restrictive work practices" in negotiations that could have led to productivity gains in the marine sector.

Australian Mines and Metals Association chief executive Steve Knott said there were "efficiency blockers" the MUA refused to budge on, such as overmanned ships and overly generous allowances compared with international standards.

Mr Knott said the decline in Australian-flagged ships from more than 100 in the mid-1990s to fewer than 50 now was chiefly due to inefficient practices compared with competing foreign vessels.

Mr Walsh, a finance minister in the Hawke government, said the agreement could lead to a wages breakout similar to that experienced in the last years of the Whitlam government.

"I think it's potentially very dangerous, leading to a more general wages breakout like 1974-75," Mr Walsh said.

"If they get away with a wage increase of that size with no offsets, it is potentially dangerous."

But Mr Crumlin said the wage increase was a four-year deal and constituted only a partial catch-up to the prevailing labour rates for other workers in the oil and gas industry.

He said safety issues on oil and gas platforms were critical to productivity and the recent Montara oil spill had shown the industry's record was imperfect.

Mr Crumlin said Mr Knott was inviting the worst standards in shipping regulation, saying it was irrelevant to talk of productivity gains as part of a bargaining case because the union was already committed to continually improving productivity and safety.

Ads By Google

- ***Employment Insurance***
As seen on **Current Affair - 20% off on Employment Insurance**
RateDetective.com.au/insurance
- ***OzForex Money Transfers***
Unbeatable Rates On International Money Transfers With OzForex
www.OzForex.com.au
- ***Getting Paid Enough?***
Find out salary averages online & learn if you are being paid enough.
www.CareerOne.com.au/Salaries



Copyright 2009 News Limited. All times AEST (GMT +11)..

All times are EST. © MarketWatch, Inc. 2008. All rights reserved. Subject to the **Terms of Use**. Designed and powered by **Dow Jones Client Solutions**. MarketWatch, the MarketWatch logo, BigCharts and the BigCharts logo are registered trademarks of MarketWatch, Inc. Dow Jones is the registered trademark of Dow Jones & Company, Inc. Intraday data delayed at least 15 minutes. "Intraday data is provided by **Interactive Data Real Time Services** and subject to the **Term of Use**." FXQuoteTM provided by GTIS, an Interactive Data Company "Historical and current end-of-day data provided by **Interactive Data Pricing and Reference Data**". FTSE (Footsie) is a trade mark of the London Stock Exchange and the Financial Times and is used by FTSE International under license.