



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
AND THE MINISTER FOR EMPLOYMENT, EDUCATION AND TRAINING, THE HON SIMON
CREAN MP, PRESS CONFERENCE, FRANKSTON CULTURAL CENTRE, FRANKSTON,
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PM: Thanks very much for coming along. What we have done here today with Young Australia is, again, another extension of the policies and the commitment we have had to the unemployed, the long term unemployed and the young unemployed. You may recall I said at the time of the last election that we wouldn't be leaving the unemployed behind. You know what happens in societies, that people who are particularly long term unemployed tend to drift towards the outer edges of the pool of unemployed persons and as the economy starts producing new jobs, the people who take them are the new entrants to the Labor force - school leavers, migrants et cetera. So, these people in some countries are just completely sidelined, they are cast aside, they don't get their training back, they don't get their skills back, of course, they never get their esteem back, they don't have any experience so they stay unemployed.

In the last 12 months we have had the biggest fall in unemployment on record and as I made clear and Simon Crean made clear today, we are now seeing unemployment amongst 15 to 19 year olds drop to 88,000 - that is 88,000 of the age group of young people 15 to 19 which is 1.3 million.

In our initiative today in Young Australia, what we are doing is looking at the application of resources and new resources and fine tuning some of the programs we have had and trying to make some existing ones stronger. And what we are saying is that by the turn of the century we should be at a position where every 15 to 19 year old will have the opportunity of a job or an education or training place. You know that with youth training initiatives in Working Nation, we have tried to get this focussed now on young people in years 11 and 12 looking at what they might do in the work force and getting some vocational training while they are in years 11 and 12. The Jobs Pathway Guarantee under which year 12 school leavers will have successfully completed vocational subjects while at school, will get a guaranteed job within three months of leaving and we will expand that by 12,000 placements per year in 1997/98.

Perhaps I might just finish my remarks and invite Simon to open his. That is, that again this is a further commitment which the Government has been working up now for months to focus another program of roughly \$200 million towards this particular problem of young people and their job opportunities and seeking to get that unemployment rate down amongst young people 15 to 19 and much better streaming out of years 11 and 12 into work. Simon and I had the pleasure of launching the Youth Training Initiative in NSW about a year ago and we are starting to really see now, employers starting to find young people in years 11 and 12 and getting them vocational experience so that they can know that there is a career path for them. In fact, a couple of major companies have come our way actually now with shortages of skills in some places, looking in years 11 and 12 to get young people interested, give them some vocational training and get them started.

So, this is part of the general view the Government has had. That for those of the age of between 15 and 19, there is a period of vocational preparation and you know that when we took office, only three in ten young Australians completed year 12. This year it is around eight in ten. We have taken the number of university places from 320,000 to 560,000 and we have now invested \$1.5 billion into vocational education through the Australian National Training Authority and through our grouping arrangements with the States in TAFE. So, building the TAFE system up so that it can sit beside the universities as an alternative system and at the same time strengthening the traineeships where on the job training marks out a career path, plus the case management and all of the other things which have come with Working Nation and these changes mean that for the group 15 to 19 the transformation is quite profound compared to a decade ago when I might say, the last Coalition Government was quite happy to leave only three young people in ten completing secondary school. Any claims that they thought they might have had to a clever country, how can you have a clever country when seven out of ten young people didn't even complete secondary school?

This is why all of this has been important, we think, for the transformation of Australian education and the opportunities for young people in that important age group of preparation 15 to 19. I will invite Simon to add to my remarks.

SC: Thanks very much. I think that one thing that should be said that we have both been able to do that most countries can't do is to combine labour market programs with education programs and we have that ability because they are under one portfolio in this country. The Jobs Pathway guarantee in essence is no more than linking an existing labour market program with programs being offered through schools. But, by linking them, we can meet the question that many young people ask, will the training lead to a job. Many of the initiatives that we have announced tries to address that question, by a more effective linkage between what they do in schools, getting employers more committed to giving direction about what schools should provide and at the same time making a commitment to take them on. We have opened up the options by which employers can now employ. So, between the ABTS pathway, the Jobs Pathway guarantee, the part time traineeships and structured traineeships employers in this country now have the ability to take on someone on a regular basis in their employment for between one hour or full time a week. It is a huge flexibility that we are offering employers, so it is not just new options for young people enabling them to pursue their interests in a number of vocations that they have a passion about, be it the environment, the arts media entertainment, those sorts of areas. It is also about offering and encouraging wider choice and opportunity on the part of employers.

The other point that I would make is that I have heard John Howard saying that his solution is that you free up small business and that creates the employment. Of the 740,000 jobs created under this Government 70 per cent have been created by small business. Traineeships now demanded by small business didn't exist before Working Nation, we set a target for Victoria of 1000 trainees in small business traineeships, it is now 1500. There have been 200 new traineeships in this area already this year. So, I believe we have got the product right, it is the reason why the demand for traineeships now is at record levels. We have a commitment in this document, not only to the 34,000 traineeships that businesses will take on this financial year, but to build on that thereafter. You will see a little table in one of the press releases that indicates where that extra 17,000 traineeships might come from and they are all industry. They are all jobs which before Working Nation, simply didn't have a traineeship.

You have heard Cindy today, she is one of many examples. Look at the statistics, 83 per cent of people that go through a traineeship get a job. It is one of the most successful labour market programs, but it has not been widely enough available. It hasn't covered the industries in which the job growth has occurred and it hasn't been integrated back into the school area.

Another salutary point, I think, is that if you look at the participation rates, there has been a slight drop in the participation rates in secondary school. I think this is a bit of a problem for us because it would appear that young people are seeking to chance their arm in the labour market because they see the opportunity has grown. But we know

the chances of being unemployed are twice as high for people who don't have the year 12 equivalent qualifications than for someone who does. That is the reason why we simply have to make school much more relevant in providing options to young people to prepare themselves for the work place and these pathways go in that direction. Again, these initiatives aren't just about encouraging young people to take on vocations as employees, again, we have a major new initiative called Youth Enterprise Scheme - the YES program - which encourages them to set up in small business. I believe, that if there is a demand for small business skills, then it is clearly in evidence by the traineeships that we should be using the schools to more effectively prepare people to start their own business.

I am confident that with the initiatives we have taken to date, the building on those initiatives that these programs represent, that the guarantees that we are making that by the turn of the century every 15 to 19 year old will have the opportunity of an offer in employment, in training or in education. That if we can get these initiatives together, we will achieve a target of five per cent unemployment for unemployed people seeking full time work. Again, it is our preparedness to set the targets, to back them with resources, to show that the programs have been worked and built upon, that distinguishes us in a very significant way from the Opposition.

J: Prime Minister, you have identified your speech as the most important policy of the campaign what do you see as the other defining issues of the campaign?

PM: I think the defining issues are the fact that we maintain a cooperative environment in Australia. That in the labour market where we have seen high productivity growth and low inflation and high employment growth, that that model of cooperation, of good spiritedness remains. That means commitments to people by the Government to run the economy faster than it otherwise would: to produce more employment than it otherwise would in return for a sensible wage outcomes and commitments to the unemployed. That is the model that my colleagues have worked on now for over a decade. It is a model that has given Australia 40 per cent more competitiveness than it had a decade ago. It has given us three times the rate of employment growth as their was under the Liberal's and it has given us twice the rate of economic growth. The commitment today is a commitment to social cohesion, it is a commitment to Australia moving on together, that one group will not be left out. The last group we want to see left out is young people.

J: Are you promising with this commitment to create the precondition for negligible youth unemployment by the turn of the century?

PM: What we are trying to do ..

J: and if so ... (inaudible) ...

PM: We are the only people in the business. You don't hear the Liberal Party talking about targets for unemployment. We are the people who are saying we want to get all those in the labour market looking for work down to around five per cent by the turn of the century. That is what we are about and that is why we put Working Nation into play. You will remember the assault Alexander Downer made on it, he said it was a waste of money and it was the exact fulfilment of an election commitment, not to leave the unemployed behind. As a consequence, with the job growth and the targeting of these programs and the case management, we have now got, I think and Simon may correct me, but I think we have got now 580,000 people who were this year case managed. that is 580,000 Australians - younger and older Australians - who were individually spoken to and with, who were part of a smaller group who were case managed back into training and work.

It is that sort of commitment that has come from the Government, from the Labor Party that believes in the breadth of the Australian family. That is, we move on together, we take jobs together and if anyone falls off the trolley, we get them back onto it. That is what Working Nation is about. That is what these policies are about.

- J: ... (inaudible) ... is it simply an election pledge and if it is an election pledge, why are departmental staff being used and taxpayers funds ...
- PM: This is something we have been developing for a long time and if the election had been called next weekend it would be a policy statement of the Government's like the environment statement was last week.
- J: So you see nothing wrong?
- PM: Well, the Parliament isn't prorogued until 6:00pm this evening and no doubt you have had the Liberal's whispering that in your ear. Let me just say here we are trying to look after young Australians when Peter Costello is saying he will put criminal prosecutions against the Secretary of the Department of Employment, Education and Training for daring to facilitate the development of such a policy. It would be a lovely little government Mr Howard's government with his Shadow Treasurer threatening criminal prosecutions on the Secretary of department introducing the youth program, threatening artists yesterday in the Sunday Age, threatening the Australia Council. This is the nice, cuddly, warm, sweet government we would see.
- J: ... \$171 million mentioned here is to be redirected from existing resources ... can you tell us what sort of existing programs might the Government ...
- SC: \$171 million is the combination of Working Nation programs for the next two years because it has only got two more financial years to run after this. Labor market programs in the forward estimates for the years thereafter and they ANTA funding in relation to the ASTF. So, this is money that is in the system. The ANTA funding, by the way, ... from an index growth which we allocate to national programs of significance. This is where we have highlighted it. It does not detract from the other growth funds that we are committed to provide to States provided they maintain their effort. So that is where the \$171 million comes from.
- J: Sorry, there was one acronym there I missed.
- SC: ASTF, the Australian Student Traineeship Foundation, which is the body that has responsibility for the 15,000 places which was three times what the Working Nation target is. VECCI and the MTIA have committed themselves in New South Wales and Victoria to helping secure something like 5,000 of those. So this is a body which we have directly funded because we have tried to put pressure on the States to lift their game in terms of delivering vocational subjects on a broader scale in schools.
- We still expect them to do that and this statement clearly puts the pressure on them. But one of the leverages that we have had is this extra funding through the ASTF. The additional funding that we are committing today will enable workplace coordinators to be attached through schools to find the placements that business is looking for on the basis of delivering the training that business wants.
- J: Mr Keating, you have set your 5 per cent target for youth unemployment, which seems like quite an ambitious target. Are you saying there is no inherent difference between the youth labour market and the adult labour market which can contribute to youth unemployment being naturally somewhat higher?
- PM: I think there may be. The obvious one is lack of any work experience. People 15 to 19 are joining the labour market for the first time and I might add just bear in mind that 3/4 million of them, in that group, face a new employer every year in the group 15 to 24 - 3/4 million and, of course, under the Coalition, even under their stated policy, they would have no award protections whatsoever. They would have to go out and negotiate with an employer all by their lonesome and take what comes.
- J: Also, they sometimes want to change jobs more.
- PM: That is right.
- J: And that will remain surely?

PM: That is right. They will want to change jobs more. It is what is called frictional unemployment - people between jobs. But the main thing is to try and deal with the group and in the most substantial way what we have sought to do is to increase dramatically the completion rates in secondary school which, as I have said, has gone from three in ten to just under eight in ten today. And in that way we have set young people up better than they would have been set up in days gone by.

J: Mr Keating, who are these big profitable companies who aren't pulling their weight in terms of youth traineeships?

PM: Well there are stacks of companies who, if they did what some other companies have done, we would be making very large inroads into unemployment amongst this group of young people and not only that providing, you know, a group to source employment from for meeting the needs of these companies. And, of course, under the government's policies we help them as well.

So it is just really a matter of trying to get companies interested in the traineeships. We have got many already interested and we have made substantial inroads already. But we need more. If we could double it, we would make a very big difference.

J: Are you prepared to name the ones who you think are not doing their bit?

PM: Oh well what is the point in that. I mean go and get me the Business Council list and do you want me to tick them off for you? I might meet you on the footpath later and go through that.

J: Prime Minister, this Labor campaign is built around leadership - your leadership in particular - that makes you pretty important. Can you now give us a guarantee, in that context, that you will stay on for a full term if you are re-elected?

PM: Look, Glenn, I have been in public life for 26 years. I am in my 27th year. I have been asked this question by journalists all the way through. In 1980, will you be staying after we lost the 1980 election and at other times. My commitment is to another term of office and beyond.

But I do want to see a continuing change of personnel in the government and I said the other day, it is worth repeating, in 1983 the average age of the Labor Ministry was 47. 13 years later it is still 47. It is 47 because there has been such a turnover of people and a lot of younger Ministers joining the Ministry. And so it is had the energy that that displacement brings you and it has had, I think, also the long straight lines of logic and policy directions coming from the leadership - myself included - and the experience which has come from senior Ministers who have been involved.

I mean Simon joined the Ministry as formerly President of the ACTU and not long thereafter the Cabinet. So we have always added to the stock of our common knowledge and our experience and that is why the government is so focussed and has been so effective. I mean this government has changed Australia from an industrial backwater essentially going nowhere, industrial archaeology, rust-belt industries, no linkages to Asia, falling employment, double digit unemployment and double digit inflation. That is where we were. Look at it today. It is a transformation, a massive transformation that has come by one thing - leadership.

J: Another personal term in office, are you saying, Mr Keating?

PM: Well I don't have a shadow, Michelle. There is no one else there. I am not Dorian Gray with a picture. I mean who jumps out of the frame and does it for me.

J: Mr Keating, the Coalition often charges that the whole youth training and the numbers that you put forward of those training that smoke and mirrors, it is about hiding the unemployed. Youth groups too say that they are not trying instant training without the guarantee of a job. I mean if you are talking about offering companies access to schemes that will allow up to one hour training week. I mean what use is that to young

people and what is your guarantee to young people in terms of full time training leading to full time work?

SC: In terms of offering the one hour a week to an employer, we wouldn't expect that that is the limit of the commitment to the young person. You will see in this set of initiatives that we have expanded funding for group training companies. I happen to believe group training companies have a major ongoing role to play. They are already interested in contracting for the eight pilots under the Jobs Pathway Guarantee.

But, essentially, what you do through a group training company is the company becomes the employer. So a small business looking for flexibility to suit seasonable patterns or, you know, weekly requirements doesn't actually do the employing, it contracts from the group training company. The group training company's responsibility is to pay the award base rate of pay, to access the subsidies where they are available and to deliver training. So what we are trying to do is to match up again that structure that is group training to deliver the linkages. So that whilst we are offering employers the ability to employ someone for as little as one hour a week, the person who would be employed through the group training company would be employed full time through a traineeship.

J: Prime Minister, there was a young unemployed person quoted in The Age this morning, I think, prior to this launch saying that they had never experienced a Liberal government, so they might give them a go. Does that loss of political memory worry you and how do you counter it?

PM: Well they will give them a go by junking Working Nation for a start because Mr Costello said that he would cut the commitments under Working Nation. They will give them a go by, as Mr Howard said in 1992, one of the reasons why over 30 per cent of our young people are out of work is because youth wages in this country are too high. They will give them a go by 3/4 million of them every year facing an employer for the first time and having to fend for themselves without the protections of the award system or the Arbitration Commission. That is the sort of go they will get.

They would very quickly find out what a harsh little world Mr Howard has in store for them and that is why, I think, when these issues have come under focus at very elections people always think twice. The thing about the Liberals is they have opposed this style of Australia for years - a cooperative model where people are brought in, an inclusive model.

They have taken the view that it is basically a survival of the fittest operation is the best one. And the commitments like we are making in Working Nation to training, to case management, to traineeships, they regard as so much dross along the way, which can be cut away for a neater budgetary outcome. They simply don't have the compassionate commitment to those who are unemployed and particularly the young people and we have seen that right through the period.

J: Do you accept that the young people are being attracted to some of the minor parties, to the Green parties, those kind of special interest parties that are appealing to the young?

PM: Well some are I think. But, again, as I said the other day on the big issues. Just take those two big issues of last week. The environment. It is only a party of government that is going to change the environment. You know before Christmas we put away six million hectares of forest in Deferred Forest Areas. It must be the biggest policy undertaking of its kind in any country of the world. Last week, we announced commitments to a National Reserve System, even buying back those bits of private land which are important to those Reserve Systems. Putting further commitments into the Murray-Darling system. Dealing with degradation of the landscape and salinity. These things can not be done by Independents and the only party in Australia interested and committed to that course of action is the Labor Party. It has been the only one.

Take nuclear weapons. Alexander Downer said it was a stunt when I announced the Canberra Commission for the Elimination of Nuclear Weapons. There are 50,000 nuclear warheads lying around those arsenals in the world rotting. We say that nuclear weapons are no longer a viable military option and that they don't serve a viable strategic purpose and we are better without them, that the world is safer without them. Those initiatives can only be undertaken by a government and that is why, I think - while some young people may look at Independents - in the end they will come back to the party which does care about the issues they care about and that is a better world, a safer world, a more secure world, a cleaner world, a better environment to live in and a premium on their own importance through employment etc.

J: It would seem though that the polls aren't going your way. So all these initiatives that you have announced in the past few months are not washing with the electorate. How are you going to turn that around?

PM: But are they working?

J: Well they are not being ...

PM: But have they got intrinsic worth and value like today's? Of course they do. Of course they do and I mean we have seen this phenomena after elections have been called in the past where the poll has shifted against the government. Well that just means we have got to work in the course of the campaign to tell our story and to get the differences up closely.

At this stage, I can't even get Mr Howard into a debate. He won't be in the debate next Sunday. He is saying, "look, I will debate the Prime Minister anywhere". Andrew Robb says, "I won't make the arrangements." He says, "I will debate the Prime Minister anywhere". Andrew Robb says, "I won't make the arrangements". They don't want to debate and basically what they are now saying is ... I am saying, look, let's have a debate next Sunday with the national broadcaster as we have had in every election campaign since one can remember. And they are now making these points of technical objection about who it might be. Well I don't care who it is as long as it is nominated by the national broadcaster.

So the fact of the matter is that until the Liberal Party faces up to the fact that it can't hide all the way, it has tried to run past the media now for a year and that it can't hide, that it has got to expose its philosophy and that will be exposed best under scrutiny and in debate and when these things happen I think we will have reasonable opportunities to not only put our policies but put our arguments too.

J: [inaudible] where do you think you are going to have to work hardest, which States?

PM: Oh I just think overall, Peter. It is a national media so overall.

J: Yesterday you spoke about economic commentators being a bit cavalier about the choice because the economy is in good shape. Do you believe that the biggest threat to the government is a view in the electorate that things are pretty good and that it is a safe time to make a choice?

PM: Well it will just all fall away. It will just all fall away. The whole cooperative model will fall away, the inflation rate will get away from us, the competitiveness will get away from us, the wage market would be chaotic again, the labour market and ...

J: Do you acknowledge that attitude and is it the biggest problem for the government?

PM: Well I am saying I think it is more an attitude of mind amongst commentators than it is in the community. That is, they have always been very careful, the Australian community, and reasonably so. When it comes to policies of importance that affect them and who runs the national government of Australia, affects them very closely.

So all of the great reformation of the economy, the social policies, the big block changes like Medicare, or the participation in education, or cooperation in the labour market, or the leap into Asia, the linkages to the bilateral and multilateral linkages in Asia, all the things that are going to give us jobs and growth and security in the future, they are going to think about who manages those.

J: Prime Minister, this morning John Howard has pledged to cap movements at Kingsford-Smith at 80 movements per hour, to extend the noise proofing program and also to have an EIS for Badgerys Creek, effectively putting that off further. Isn't that going to make it harder for you to hold onto seats, like Lowe and also places like Macarthur as well?

PM: Well he is worried about his seat in Bennelong. He has been worried about it all along. Here he is, he is leading a national election campaign and what is he worried about, his own seat of Bennelong. He wants to cut Kingsford-Smith's capacity by 40 per cent, the gateway to Australia, the principal airport, the airport upon which our tourism industry depends. He wants to cut it back and he wants to cut it back by opening up traffic on the east/west runway and over those electorates of Barton and Watson and Kingsford-Smith so that he can relieve what he sees to be the traffic coming over his own electorate.

Bearing in mind, that he was all the time at the government to build the third runway. Over and over again saying it was an absence of political courage that the government hadn't decided to build a third runway at Mascot. We built the third runway and who is the first to run away from it.

He talks about microeconomic change, he talks about the brave new world of microeconomic change under him. The biggest micro change in air transportation in Australia is that third runway and the first time he runs into electoral pressure, he abandons it.

J: Prime Minister, what is in this for people from non-English speaking backgrounds in your Young Australia policy?

PM: Well, generally, those who are disadvantaged come more obviously under the eye of case managers. But many young Australians of that period, of course, have been born here and they have picked up the language. It is only with young people of that age group who have come as migrants, or some may have some very obvious language disabilities, in which case we have all the English language training courses. But, by and large, it is the case management, the fact that we have got one person dealing with a limited number of people, getting to know them and understand them, being the most important element of the Job Compact we announced with Working Nation and with these policies too.

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