



**PRIME MINISTER**

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ADDRESS AT SYDNEY ROTARY CLUB

I am particularly pleased to have an opportunity to speak to your club which has such a fine record of community service in the city of Sydney.

Voluntary organisations such as Rotary play an essential role in helping to solve the problems of individuals in need of help. The community depends on you, just as it depends on government.

Neither of us alone can fully meet the social problems in our society. Ours is a co-operative venture to ascertain what the real needs in this community are, and to respond to them with compassion, efficiency and effectiveness.

In recent years, there have been remarkable social changes in Australia: the increase in family disruption; the number of single parents; the significant increase in women in the work-force; the increasing component of overseas-born members of our population, many recently of refugee status; the increasing number of aged people in the community; and the problems of structural unemployment which have emerged.

The Government has responded to these changes by modifying programmes which are no longer serving the purpose for which they were designed, and initiating new programmes which meet areas of real need. For example, our decision to assist sole fathers to place them on a similar basis to supporting mothers; our greater emphasis on the provision of day care centres for children of working mothers; the decision reflected in the recent Budget to boost spending for pensioner housing; and the introduction of generous family allowances.

The particular problems suffered by many members of our ethnic communities has received special recognition. Migrants are a group that have contributed enormously to the economic, social and cultural life of Australia. Migrants have to face extreme psychological and social stresses - loneliness, home sickness and anxiety, and in many cases, the frustration caused by language difficulties.

They have to cope with a completely different environment, different laws, different customs. But they have a strong desire to become self-supporting independent and productive members of Australian society as quickly as possible, without undue reliance on government.

The Government was concerned that services available to migrants were fragmentary and inadequate, and not up to the task of serving migrants' needs.

For this reason, we established last year a major inquiry into post-arrival programmes and services, with Mr Frank Galbally as Chairman. That inquiry presented its report in April and after careful consideration, the Government endorsed it, accepting its proposal to spend an additional \$50 million over the next three years, giving migrants a new deal.

The Government is setting up sixteen centres to enable newly arrived migrants to take part in full-time English and orientation courses: spending an additional \$10 million over three years to teach English to migrant children; upgrading and increasing English classes for adult migrants; extending the telephone interpreter services; making more funds available to Ethnic groups and community organisations to employ their own welfare workers, health workers, and people skilled in assisting their children and the aged; and we shall establish a new Institute of Multi-Cultural Affairs to encourage the further growth of our multi-cultural society.

It is not only government that has had to respond to the fundamental social changes which have been occurring. As a result of these changes, demands on voluntary agencies have been increasing, and some agencies are having difficulty in recruiting experienced voluntary helpers.

The Government has recognised these needs in our programmes of financial assistance to State and Local Governments, and to voluntary community organisations which provide facilities and services for the aged, children and their parents, Aborigines and migrants.

These programmes complement the Commonwealth Income Support Programmes by providing accommodation, counselling, education and other services aimed at assisting those in need.

Voluntary agencies and organisations such as Rotary have also had to rethink their community service programmes, winding down those that have served their purpose, and redirecting energy and resources to new initiatives which provide effective assistance to new areas of need.

One of the greatest social problems in Australia today is unemployment. Particularly for the young, who want to make a start in their careers.

I am delighted to see that the members of this club have responded by making assistance for the young unemployed in Sydney your major project for the year.

Unemployment can cause great unhappiness and frustration, it is cruelly wasteful of the community's resources, and in tackling this grave problem, the Government needs the whole-hearted support of all sections of the community.

May I say that the co-operative community approach which we seek is exemplified in the way that your club members are working closely with the new Commonwealth Youth Job Centre in Martin Place, and notifying job opportunities in members' own organisations, and any others that come to notice through your wide range of contacts.

In view of the particular interest which you have shown in this all-important subject, I thought I might spend a few minutes outlining the Government's co-ordinated strategy to overcome the unemployment problem.

Before the last election, I said unemployment would fall from February and keep falling. This prediction was based on forecasts available to me at that time.

Unemployment has indeed fallen so far this year, but by less than I had hoped. Progress in reviving employment has been slower than expected. This has been attributed to a number of factors - in particular, the slow rate of growth in world trade.

We had looked to a greater lift in world trade and a greater expansion in world markets this year and next than - it is now clear - will in fact take place.

The expansion of world markets and the growth of world trade will probably be insufficient either this year or next year to reduce the general level of unemployment in the advanced industrial countries.

There have been significant setbacks in the fight against inflation among the major Western nations. We know that inflation is increasing in the United States. It has been rising in Britain and in France, and it has levelled off at a high point in Italy.

Two countries that stand out for their success in containing inflation are Japan and West Germany, and now Australia is joining their ranks.

But the high and increasing rate of inflation in very significant parts of the developed world is certainly a major setback to world recovery. It means that Australia cannot look to a general expansion of world trade to provide any real improvement in its own trading position.

A further factor that has not assisted the creation of new employment opportunities has been the failure to contain wage increases to a reasonable and realistic level.

Through the course of the last financial year, average weekly earnings again increased by more than the Consumer Price Index. The real increase in wages has meant that the share of wages in relation to profits has remained higher than we expected.

Because of the slow growth in world trade, we cannot look to a resurgence in general overseas trade and markets to lift our economy, and thus increase employment. Since we are powerless to affect what happens to the economies of the United States and Europe, we must rely even more on our own efforts to get our own economy right.

The firm line we have taken in the fight against inflation has thus been all the more necessary. It is vital that we get inflation below that of our major trading partners so that our industries can become more competitive instead of less competitive, as in the past.

A lower inflation rate in Australia will bring greater activity to this country because our industries will be able to capture a larger share of our own markets, and will be encouraged to develop new export markets. A lower than average inflation rate in Australia will also give Australian and overseas investors the confidence to increase their investment here, particularly in our natural resources.

By maintaining a firm fiscal and monetary policy, we can attract a larger share of foreign investment than otherwise would be the case. This is now becoming evident because overseas investors - as they have said in discussions with me - have started to couple this economy with the highly efficient German economy.

It is against this total background that our progress to date in dealing with unemployment needs to be viewed.

On 14 September, in a significant Parliamentary speech, Tony Street outlined in detail the progress made to date and prospects for increasing employment in the future. He had first discussed this speech with me prior to the Budget, and we then determined that it should set out very plainly all the facts on this vital issue.

The immediate forecast made in the speech, which was consistent with the Budget forecasts, was that it is likely that a new peak in unemployment will be reached in January-February 1979. As Tony Street's statement made clear, the causes of our unemployment problem are not hard to discern.

During the time of our predecessors in office, wages outstripped productivity, inflation increased at an alarming rate, and demand, investment and confidence fell. He went on to say:

"As a Government we believe these problems are fundamental to the present predicament in the labour market".

"We have, therefore, consistently advocated maximum restraint in wage increases and sought to improve productivity".

"We have adopted policies to reduce inflation and improved demand, investment and confidence".

"There is increasing acceptance that our policies have achieved substantial improvement, particularly when it is recalled that we inherited a deteriorating economy and worsening world trade".

After reviewing the many difficulties and challenges which lie ahead in improving employment prospects, he concluded that: "the best result will be achieved through the pursuit of (the Government's) present economic policies".

In taking this course, the Government is firmly acting in the best long-term interest of this nation. For it is the only course which will restore economic health and growth - the growth required to provide more jobs for Australians.

It is not a question of the Government not being concerned for the unemployed, it is a question of being so concerned that we are determined to stay with policies which we know in the longer term will put the matter right. It is a question of being so concerned that we are not prepared to trade Australia's longer term future for shorter term political gains. It is a question of being so concerned that even at the cost of political popularity for the time being we are determined to give Australians the prospect of obtaining and keeping lasting jobs - jobs that they can keep.

The Government's economic policies are succeeding in reducing inflation and laying the foundations for greater investment and more jobs.

The annual report of the G.A.T.T. affirmed in the strongest terms that policies of the kind this Government is pursuing are the only policies that can be successful. The report said:

"The inescapable conclusion is that the industrial countries can only move towards increased growth and employment...by reducing their inflation rate to the levels experienced until the mid 1960's."

The tragedy is that for one reason or another, in too many advanced developed countries, inflation is moving the wrong way. It is high and it is increasing.

That will have very significant adverse effects for activity and employment in those countries. It does not mean, however, that we need suffer the same fate.

Convinced as we are then that our policies are the only ones to get the Australian economy back on its feet, the question still needs to be asked: Is the Government doing enough to alleviate the hardship of unemployment while our other objectives fall into place?

The Government is providing meaningful help to those who do not have jobs - and providing particular assistance to the young unemployed. Our NEAT Scheme, the Special Youth Employment Training Programme and a number of other programmes are designed to achieve this end.

At the end of June 1978 six times as many people were being trained under NEAT as at the end of December 1975, and we have changed NEAT to give a much greater emphasis to on-the-job training - training more directly related to Industries' needs.

Our programmes to assist young people include the introduction of a Special Youth Employment Training Programme. More than 60,000 young people have already been assisted by this programme since it was introduced in October 1976, and there are another 40,000 people in training under the Scheme at the moment.

A further 45,000 young people have been assisted under the Community Youth Support Scheme and the Experimental Programme for Unemployed Youth provides remedial education assistance for young people who have never had a fair go in their whole lives.

We have never been for one moment complacent about these schemes, and they have been steadily modified, expanded and improved as we have gained experience with them.

I believe that these training programmes are better than those in most other countries, for we have avoided the pitfall of locking labour into unprofitable industries, a problem which some overseas organisations are becoming very concerned about.

But the Government's foresight went beyond the establishment of vocational training programmes. We were concerned in 1976 about the problems which Australian industry faced: the need to become more competitive; to increase its productivity and technological capacity; to adapt smoothly to structural change.

Accordingly, long before the current debate on these issues became widespread, we looked ahead and set a number of actions in train. We established the Williams Inquiry into education and training: we initiated an Inquiry chaired by Sir John Crawford to recommend ways in which industry might best adapt to necessary structural change; we established a separate Department of Productivity; and we authorised the first review ever made of the Commonwealth Employment Service.

The Inquiry under Professor Williams was set up in October 1976. We were concerned to make sure that our educational system was adequately designed to meet the educational needs and preferences of the individual, and the requirements of the labour market.

The results of that long and difficult inquiry will, I hope, be available within weeks, and we are looking for a constructive report which will clearly involve the States and many sections of the community in its implementation.

At the same time as the Williams Inquiry was established, the Government also commissioned the present Chairman of the Australian Broadcasting Commission, Mr Norgard, to make a comprehensive and detailed examination of the Commonwealth Employment Service. This was the first inquiry into the C.E.S. since its inception.

The Inquiry reported late last year and we have acted on the report to upgrade the C.E.S. with the aim of making it a modern and efficient employment and counselling service.

Since coming to office the Government has also sought to give every encouragement to Australian industry to increase its competitiveness in domestic and world trade. Our successful anti-inflationary strategy has been of most direct benefit, but a number of other complementary initiatives have also been taken.

Over a year ago, we established the Crawford Inquiry to examine the adjustment problems which face the most highly protected Australian industries and ascertain how we might best maintain the long term strength, stability and viability of Australian manufacturing industry.

Two years ago, being most conscious of the need for Australian industry to improve its productivity and adapt effectively to the newest technological development, the Government established a separate Department of Productivity.

I seem to recall that the new Department was greeted at the time with a degree of scepticism. One editorial even sought to dismiss it as the Department of Silly Walks.

In retrospect, it is now the editorial rather than the Department which looks distinctly silly. Ian Macphee and his officers have been particularly successful in developing joint programmes involving management, unions and government in finding ways to increase productivity - particularly through new technology - in highly protected industries.

Such tripartite consultations are presently underway in the footwear, clothing, textiles, forging, tyres, tanning and whitegoods industries.

The adoption by industry of the latest technology can often lead to an increase in employment. It is true that in the narrowest sense new technology may lead to a particular article being produced by fewer employees. But because of the cost reduction brought about by new technology, demand is increased both by Australian and overseas customers for the goods concerned.

Furthermore, the general purchasing power of consumers is increased and overall demand is strengthened. The introduction of the latest techniques is the best overall strategy for employment.

Without adopting new technology the industries concerned will falter - and jobs will be lost. Moreover, by developing and exploiting new technology, we can create entirely new products and systems, such as Interscan and this creates more jobs.

Fear of new technology is no more justified in 1978 than it was justified at the beginning of the Industrial Revolution. We have a great opportunity to play a major role in world trade, particularly in Asia, because of our resources and because of our skilled workforce. By producing high quality, technologically advanced products for domestic and world markets, the prospects for Australian manufacturing industry will be bright.

These long term initiatives which I have mentioned, which were begun one and two years ago, demonstrate the Government's acute awareness of these problems of technology, structural change in industry and employment. I am delighted that there is now a widespread debate on these subjects.

In the coming months, the Government will be actively seeking to involve the community in the challenges which these issues provide. This consultation will not take place in forums which would only provide a political platform without achieving any result. Rather, they will be working groups comprising representatives of those sections of the community most directly involved in these vital issues.

Tony Street has called a meeting of labour Ministers as one element of that broader-based discussion - an initiative which I note Neville Wran sought to claim as his own in his recent policy speech.

As I have indicated, tripartite discussions are already underway in a number of industries with the assistance of the Department of Productivity. When the reports of the William Inquiry and Crawford Inquiry are to hand, I would also expect widespread consultation to take place.



The decision to establish a powerful committee of Cabinet, under the chairmanship of Tony Street, to review the basis of our industrial relations is also closely related to these issues.

During our period of less than three years in office, the Government - with Tony Street as its Minister for Employment and Industrial Relations - has achieved a remarkable improvement in industrial relations in this country.

That does not mean to say that the Government is satisfied with the present situation. Three of the basic aspects of our industrial relations which Tony Street's committee will be examining are the practical processes of consultation between concerned parties; the creation of a public opinion aware of the consequences of industrial disputes on unemployment; and the legislative framework of industrial relations.

We have made progress in all three areas, but while much has been done there is always room for improvement. It is this Government which established a permanent National Labor Consultative Committee in which Government, employers and employees can sit down together to discuss important industrial relations issues.

Through the work of Tony Street's committee, we hope to achieve a better climate of industrial relations. Tony Street returned this morning from a visit to Japan, accompanied by representatives of employers and Trade Unions. The purpose of that visit was to discuss the impact which good industrial relations can have in further developing our mutually profitable and beneficial trading relationship with Japan.

The impact of a reduction in industrial disputes could be very great indeed. To take one example, if a deeper understanding of this issue were to lead to a reduction in industrial disputes on the waterfront, the impact on our exports and on the confidence of our purchasers would be substantial.

Tony Street's committee will also be examining the vital issue of how to develop a much wider understanding throughout the community and the Trade Union Movement that industrial stoppages - wherever they occur - keep Australian men and women out of work.

We have already established a legislative framework to provide just and fair laws to protect all parties to an industrial dispute as well as the interests of the general public.

But the committee will be examining the need for modifications in this area. Good industrial relations cannot, however, be produced by laws alone. But the charter of Tony Street's Cabinet committee is a wide and important one. The committee's task is of crucial significance because greater success in this area would significantly boost our general economic performance and complement the Government's economic policies.

Mr President, I have stressed today the importance of consultation and community involvement. In all the great social issues that face Australian society, government alone can never provide all the solutions.

Whether it is the needs of the aged, the migrant, the handicapped, the sole parent, or the unemployed, effective help will only be provided through the closest co-operation between government and voluntary organisations.

You, by your involvement in Rotary, demonstrate your public spirit and commitment to assisting those in need.

I believe that Australia is the land of opportunity. We have the opportunity to develop together a society which is most conscious of its responsibilities to human rights and human dignity. A society which promises effective help to those in need.

By working together we can realise these opportunities.

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