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PRIME MINISTER

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ELECTORATE TALK

We are all concerned about unemployment. We are concerned about men and women, particularly young men and women, who can't find jobs.

Unemployment is not just a list of monthly figures from the Bureau of Statistics. It is a very real and personal problem. As the national Government, we have a clear obligation to do what we can to overcome that problem. How should we tackle it? What is the best course?

In constant examination of unemployment, without exception and without equivocation, the Government comes back time and again to the only real solution, and that is the only way to create new and permanent and satisfying jobs: the promotion of sound economic growth.

It is in business and manufacturing and in farming that the wealth of our country is at work. It is here, and only here, that lasting and productive new jobs are created.

Over the last year private employment has started to grow again. In the twelve months to May, civilian employment has increased by more than 60,000, private employment increased by more than 50,000. In addition to sound economic growth we recognise that there are many people in the Australian community who need special help in their search for jobs.

By the end of this financial year, more than half a million Australians, many of them young men and women, will have been assisted into rewarding jobs through our various training programmes. These programmes are under constant examination so they can be improved where necessary to help those most in need of them.

The Labor Party professes concern for the unemployed. Perhaps they are concerned, but the brutal reality is that in the long run their alternate policies would do more to add to unemployment than to reduce it.

Let's look at how false and shallow Labor's policy really is. Labor has put forward a scheme to employ 50,000 people. They claim it would cost between \$85 and \$100 million a year.

For some that may seem an attractive idea on the surface. The reality is that the cost of employing one person, and that includes wages, workers compensation, material and equipment, higher costs, transport and accommodation as well as expenses associated with the supervision and administration of the scheme would be just over \$12,000 a year. That is \$240 a week subsidy by the taxpayers of Australia for each person under Labor's make-work scheme.

Accordingly, the total cost of employing Labor's 50,000 people would be nearer \$600 million a year. That is your tax, put into the kind of make-work scheme abandoned by the Leader of the Opposition when he was Treasurer in the Labor Government of 1975, yet he would do it all again. He would ask the taxpayer for a massive subsidy to prop up a form of his abandoned, artificial scheme to employ Australians. So that is \$600 million a year to create 50,000 Government jobs.

In addition to that, the Labor Party has said that it would subsidise all net additions to employment by giving employers the equivalent of unemployment benefits for any net additions to the workforce. That would be a very expensive policy indeed. The only way such a scheme could be worked would be on a company or a firm basis. Even while employment is relatively static, there are many firms which are doing better and expanding their workforces, because those firms are doing better, because they are selling more. This particular scheme would involve an additional Government hand-out of several hundreds of millions of dollars, and much of it would be subsidising employment, additional employment, that would take place anyway, merely because particular firms are doing better.

Some would make the point "Well, at least it is reducing unemployment and finding work for those who want it". But my answer is plain, and I think it is a fair one.

I talked a little earlier about creating the right conditions for economic growth. That is not just creating conditions for profits and expansion. It creates conditions for real and lasting jobs. Let me illustrate the point.

Over the next few years in Western Australia, because of investment in the oil and aluminium industry, some 35,000 new jobs will be generated. They will be lasting jobs, they will be secure and rewarding. At the same time in New South Wales and Victoria, because of expansion in the aluminium industry alone, some 20,000 new jobs will be created. That is a total of 55,000 new permanent, productive and secure jobs in private industry. They won't be a burden on the taxpayer. They'll come out of industry that has the confidence to expand and develop because it knows that the Government is committed to responsible economic management. Surely there could be no starker contrast than that approach and Labor's hand-out mentality.

Of course it is not just in oil and aluminium that new jobs are being created. It is happening in industry after industry.

Mr Hayden's economic policies would retrun Australia to the big deficit, galloping inflation days of Mr Whitlam. The extra money Mr Hayden wants to spend on unemployment programmes, make-work government jobs and other spending programmes, would so expand the deficit that many people would cease to have confidence in the strength of the Australian economy. Under those circumstances we would not get a growth in jobs in the private sector. Indeed, private sector jobs could well fall as they did when Labor was in office once before. Who will ever forget that in one year of Labor, unemployment rose by almost 200,000.

Labor policies totally ignore inflation. Mr Hayden should ask industry what they think of a policy that ignore inflation. He should think back to a time when inflation almost wrecked Australian industry, as it struggled to survive and compete for markets here and abroad when Labor's policies pushed inflation much above the inflation figures of many other developed countries in North America and in Europe.

Now, even if there are some additional inflationary pressures within Australia, our inflation is much below that of many countries in Europe. In Britain it is about 15 or 16 per cent, and in America it is now about 14 per cent on an annual basis. At around nine per cent ours is much lower. We intend to keep it that way, so Australian firms and industries can become more competitive, sell more and get more jobs.

Put bluntly, the Labor Party refuses to come to grips with the simple fact that jobs come from industry that is confident and expanding. That will only happen if industry is competitive and is given incentive to invest and take risks. That is what my Government has aimed at over the last three and a half years.

We don't think profit is a dirty word. It is from profits that expansion takes place, and with expansion new jobs are created. Our incentives to promote exports and development, and above all our determination to keep up the fight against inflation, will do more to provide jobs for Australians who want to work.