



(5)

# PRIME MINISTER

EMBARGOED UNTIL DELIVERY

CHECK AGAINST DELIVERY

LOCAL EMPLOYMENT INITIATIVES CONFERENCE  
16 JULY 1986 - CANBERRA

Distinguished international guests, ladies and gentlemen,

First let me congratulate the National Advisory Group on Local Employment Initiatives for organising this conference. On behalf of the Government I also extend a warm welcome to our overseas visitors.

It has long been my view that effective solutions to problems are more likely to be achieved when there are common goals, common perceptions of the nature of problems and a co-operative approach in addressing them.

In Government, we have pursued this consensus-style approach to the resolution of problems, stressing the need for co-operation and a shared sense of purpose within the community.

The concept of local employment initiatives is a striking example of this sort of co-operative approach. It is a concept which has already been put into practice in other OECD countries.

In Australia we have made solid progress over the past three years in the creation of jobs through this type of approach.

The gains that we have made - some 670,000 new jobs in all - and pulling over 2 percentage points off the unemployment rate are known well enough. But there is no room for complacency: the level of unemployment remains intolerably high. My Government will continue to pursue steadfastly the objective of providing job opportunities for all Australians who wish to work.

Even as we acknowledge the progress we have made along this path, it also has to be said that Australians have recently had to come to terms with the sobering reality that we will have to battle much harder together in the future if we are to maintain and extend those achievements.

World trading conditions have turned sharply against Australia, requiring us to take some harsh medicine.

We can't avoid, as a nation, the adjustments which are necessary. What we can do, having recognised the new realities, is to work constructively to achieve the best possible outcome for Australia. Each of us will have to be prepared to play our part.

Wage earners will be called upon to accept lower wage rises than otherwise might have been sustainable. This reflects not only the need to curb our inflation rate and maintain our recently improved international competitiveness but also the fact that the growth of Australia's national income has been cut by 3 per cent in the past year - and wages and salaries are far and away the largest part of our national income.

Entrepreneurs will need to adopt keen pricing policies and to be prepared to seek out profitable lines of activity and to take risks.

It is only in that way that we can take advantage of our improved competitiveness and take markets away from foreign competition both in Australia and abroad - and in that way to maximise the growth of jobs and national wealth.

The coming Budget will incorporate some very tough decisions - decisions which would not have been necessary in other circumstances but which are needed now to produce an appropriate degree of expenditure restraint.

Some of these decisions will not be popular - but that does not make them any the less necessary.

The facts are that Australia has been drawing too heavily on the savings of the world to support our own living standards for quite some time.

In the past Australia has frequently been able to avoid taking decisive action to correct this situation because good fortune has intervened.

But there is precious little prospect that world conditions will turn in our favour this time.

We need to raise our own saving effort and, for a time, accept correspondingly lower living standards. In the case of the public sector that means expenditure restraint and a lower Budget deficit.

Over and above each of those specific contributions, Australians need also to work harder and better so that we can rebuild Australia's trading position in the world.

We can no longer rely just on our primary industries, efficient and productive though they are, to support us. If we are to recover lost ground we must turn to manufacturing and service industries to provide the thrust for continued economic growth and job creation in this country.

The economic adjustment required in Australia involves a fundamental realignment of industrial activity, a realignment which in one way or another will affect all members of Australian society.

We in Government are backing this realignment process by taking a number of specific initiatives to encourage new industries to be set up and existing industries to restructure. And as the circumstances demand, the Government will need to continue to adopt positive adjustment measures such as the initiatives we have taken for the car, steel and heavy engineering industries, and the support we have given to private research and development through the 150 per cent tax deduction for R & D and the Grants for Industry Research and Development Scheme.

Deregulation of the financial sector has led to a major shaking up of the Australian financial system and its approach to business - big business, small business and personal customers alike. In addition, the formation of Management Investment Companies, which receive substantial government support, will help in the provision of venture capital to new, innovative job creating activities.

But the kind of effort needed to recover from the difficulties Australia faces cannot be imposed from Canberra - or even from the less rarefied climes of Sydney or Melbourne. Instead it will come from the community and especially from the efforts of groups and individuals who seek out opportunity and are not afraid to seize upon it.

And, those individual efforts will be most productive in an environment in which innovation and initiative are not only supported but also actively encouraged by the community as a whole.

It is for this reason that I am particularly pleased to be able to address you at this conference tonight.

When Ralph Willis first approached me early last year with a proposal to establish a National Advisory Group on Local Employment Initiatives I had no hesitation in endorsing his proposal as a means of exploring this avenue of job creation.

I know that the Advisory Group has been working hard to assess overseas experience with local employment initiatives and to glean what lessons can be learned for Australia. This Conference will provide an important input into the Group's report to be presented to the Minister and the Government later this year.

The various parties that would contribute to the development of local employment initiatives in Australia already have shown a preparedness to involve themselves in this sort of activity.

Australian trade unions have demonstrated a commitment to explore and become involved in local economic development. They are represented on the wide variety of intermediary organisations providing some level of assistance to local employment development around Australia.

For example, the South Coast Employment Development Project in NSW to which BHP has lent its support was originally developed by the metal manufacturing group of unions which is affiliated with the South Coast Labour Council.

Similarly the Trades Hall Council in Newcastle was an important partner in the process of establishing the new Hunter Region Enterprise Agency.

All of the State Governments in Australia are involved to some degree in the development of local employment activities. The range of activities is wide, and often exploratory in nature. Many of the programs centre on generating entrepreneurial skills through the establishment of new small businesses.

Local Government, by its very nature, potentially has a vital role in fostering local economic development. Local Governments have significant planning and financial resources which can extend and complement State and Commonwealth policy initiatives. They have already played an important part in the implementation of our Community Employment Program and have shown a willingness to contribute to the creation of jobs in their localities.

Local communities in rural areas have been hit hard by the slump in world agricultural prices. Accordingly, rural assistance measures are high on my Government's agenda, and an important item on that agenda is the development of locally based employment. It is possible that a strategy for employment based on local level planning and implementation may provide welcome relief for the rural areas of Australia.

One directly relevant Commonwealth initiative was presented in the Economic and Rural Policy Statement of 15 April. This is the Country Centres Project, which is a pilot scheme for 1986-87 investigating the development potential of selected country centres and their surrounding regions. The project aims to identify realistic growth opportunities on a regional basis and to set the foundations for region-specific strategies for adjustment to change.

The outcome of these studies will provide input into a report to be made to the Commonwealth Government in early 1987. We will be examining very carefully the opportunities that local employment initiatives offer for people in rural communities.

It has, of course, been in the area of youth unemployment where the need for corrective action by our community has been felt with particular intensity.

When Labor came to office more than 350,000 young people were unemployed and unemployment among the 15-24 year age group had hit a staggering 20 per cent. The youth of Australia was being denied the opportunity to do productive work, and this had created for large numbers of young people a loss of self-esteem and a sense of futility and hopelessness about the future.

In a little over three years we have reduced youth unemployment by one-fifth; and we have cut the unemployment rate among 15 to 24 year olds to less than 15 per cent.

Through Priority One my Government has embarked upon a long-term strategy for improving the opportunities for the young to participate more fully and more productively in our society. And within Priority One, the Government has developed opportunities for young people to undertake voluntary work - doubling the number of participants placed in Volunteer Youth Projects and establishing the Group Community Volunteers Scheme.

In my Address to the Nation I announced that the Government will be developing - in co-operation with the States, local governments, community organisations and trade unions - a scheme providing community work for the unemployed. The scheme will be a voluntary one. It is a further initiative in the Government's drive to increase the availability of jobs for our nation's young.

The proposals for community work for the unemployed are testimony to my Government's commitment to explore alternative approaches to increasing job opportunities.

And this is where your conference can play such an important part - in widening the horizons of opportunity and offering fresh approaches. The Government looks forward to receiving the work of the National Advisory Group on Local Employment Initiatives later this year, when the Group will also have had the benefit of a number of commissioned studies.

I commend you for the imagination and enthusiasm you are displaying in participating in this Conference and I wish you well in your deliberations.

\*\*\*\*\*