



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP
INTERVIEW WITH FRANCINE CHINN, JJJ, 6 JULY 1992

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C: Over the last couple of weeks we've asked listeners to fax the PM and tell him what they think of our current massive unemployment levels. He's agreed to reply and is now speaking with JJJ national affairs reporter Francine Chinn.

FC: Mr Keating first of all of course, welcome to JJJ.

PM: Thank you.

FC: We have been asking our listeners to either fax, write or phone in their concerns about youth unemployment so what we might do first of all is play you a very short montage to give you an idea of some of the main questions that have been asked.

F1: I think the thing is that people can see that we are under a recession at the moment and that there's growing numbers of unemployed people in this country. They feel lost and their life is meaningless, there's nothing to look forward to.

R: Do you think training is an answer to some of the problems?

F2: I don't know because then we're going to have really well trained unemployed people. Maybe the gap between the unemployment benefit and the lowest pay is a little bit too large. Because if you see a job that is only marginally more than the unemployment rate, you don't go for it anyway.

R: So do you think it's necessary once you leave school to go on and do more training?

M1: Yes certainly, you won't get a job otherwise.

M2: I'd just like to ask Mr Keating why the Austudy independent age cannot be lowered to 22. How can

you say that there's incentive there for anyone to retrain to make themselves more employable. I just don't understand

FC: Prime Minister, you've just heard some of the concerns our listeners have raised on youth unemployment. First of all though the big issue today is the Opposition's proposed youth wage. Dr Hewson has announced a scheme to reduce award wages which would mean an income of \$114 per week for under 18s and \$133 a week for those 18 to 20 year olds. Can we just get maybe you comments on that proposed youth wage.

PM: Well I think the main thing to understand about that is Dr Hewson said to them, well I know what's good for you, that is basically to slash your wages. That is for those who actually have a job would have their wages cut and for the low wage you would then propose rather than regard years 15 to 19 as a period of preparation for life or as a period for vocational preparation, that is providing the opportunity of vocational training for work in the rest of their lives. Dr Hewson is simply proposing to go back to the dead end job, he provides no training, but proposes to cut their wages. So in other words, anyone who has a job ought to be very nervous about his proposal. For instance, somebody - an apprentice, 19 years of age would be on at the moment about \$312 a week, they'd go back to \$133, less than half their current pay and it won't create any new jobs. He talks about training by talking about seventy million for technical and further education, it's just a drop in the ocean. In other words, he's not going to train anybody, he said you're in the dead end job and you're staying there, we'll just simply cut your wages. So all those of you who have got a job will have your wages cut and those of you who might get a job will have it cut to \$117 or \$130 and no training and that's it. That's all the government is going to do for under me, says Dr Hewson - you're on your own.

FC: But surely this kind of idea of a youth wage is something that you yourself are tossing around. Isn't that the type of incentive that small business has been looking for? Surely it's enough incentive to create more jobs?

PM: But we are not tossing that around. Understand that, the Government is not tossing that around. It's talking about entry level training wages, in other words providing the place in technical and further education as we provided the places in university and have a wage where people have job experience, where they are productive on the job, but where they are also trained. In other words, they are prepared vocationally for life. Dr Hewson

has no such proposal in mind, it has nothing to do with training, this is simply a way of slashing wages for young people. As the Coalition has tried - to slash wages for everybody for all of its history.

FC: On this issue of training Prime Minister, you heard in one of the concerns earlier, in the montage we played you, Kicki from Melbourne who wants to know what's the use of training when the jobs still aren't out there when you finish your course?

PM: The jobs were out there in the 1980s, when the economy was growing quite strongly - the jobs have been taken up for trained people. The kind of untrained job, the unskilled job, the so called dead end job that might have been around in the 1960s and early 1970s is largely now done by computers - in clerical work, in retailing, they are just not there, those jobs simply do not exist any more at any price. This is the problem with Dr Hewson's proposal - at \$117 or \$130 the job is not there at any price, so what do they think they are doing for people? Whereas what we're saying is the Government has lifted the retention rates in schools, lifted enormously the through put through universities, and is now proposing that in technical and further education so that people come into the new economy which has got skilled jobs and where they can take their place in society over the long run.

FC: Prime Minister, Craig Mackee from Hawthorn in Victoria was a listener who says, it's now time for a bipartisan approach to be taken on the issue of youth unemployment. Isn't it a serious enough issue for you and the Opposition to stop playing politics and get together on this?

PM: No you can't cheapen this issue by the easy resort to the call for bipartisanship. This has been a problem issue, entry level training wages and training for the last couple of decades. The Liberal Party ignored it. They had every change of bipartisanship when they were in government, didn't do anything about it. We're as always the only party that will get these breakthroughs. They were happy to leave 3 kids in 10 complete secondary school, that's what there was in 1983, 7 in 10 they were happy not to be trained. That is now 7 in 10 completing secondary school, 35-40 per cent of them going through to universities in places we created. We're the ones, the Government, the Labor Party are the ones interested in taking the whole employment and training prospects, education, vocational education for young people into life and at the meeting I intend to hold on this subject will try and get breakthroughs in these areas. But it is Dr Hewson who has chosen rather than wait and see what

- the government was able to produce at the meeting, to jump in and have a meeting where we heard a lot about the problems and nothing about the solution. And the solution is a slashing of wages with no training.
- FC: Well what's your solution Mr Keating? Real jobs for young people, what's your solution?
- PM: The solution is to regard 15-19 as largely a period of vocational education, both in school, university and technical and further education. The problem I'm working on is the group who are, if you like, in the middle of that transition, the ones who are now looking for full time work, who will not be part of that long term transition envisaged by the Carmichael recommendations. How do we help them now? That's what I'm trying to do. How do we help those people, to get them training so that they are not caught in the dead end job in the dead end street of life and work. That's what I'm focussing on. Dr Hewson is not focussing on that at all. He's just simply saying, look, cut their wages and maybe someone will pick them up. Maybe someone will pick them up cheap, but don't invest any national effort in their lives, don't invest any national effort in their vocational education, or their academic education, just see whether there is a job for them, when he knows as I know the dead end job have just about disappeared.
- FC: Mr Keating, again we received a lot of questions about the proposed job summit. I'll give you just one as an example. Damon from Perth asked why should a group of politicians who have no real idea or concept of unemployment, let alone youth unemployment, be discussing it? Where are the young people and the young unemployed people at your Job Summit?
- PM: The young unemployed people will be well represented at this Summit.
- FC: How?
- PM: The Youth Action Coalition is going to be there, and they represent young people, and they represent a coalition of young people. And as well as that, I myself have taken opportunities in Adelaide and Perth to meet substantial and representative groups of young people in these positions. And what they've said to me has been quite interesting. But again, it's going to require Government action.
- FC: Do you agree with Kim Beazley that you know what young people want, and that's jobs and don't necessarily need to talk to them?

PM: The first thing they need is vocational preparation, first and foremost, and job experience, that we know. I think what we're finding out in our consultations is the difficulty they have in getting it, or even in the preparation period to get it, the costs and problems in getting it. That is why the government and the political system must function and get changes in society, in business, to let the unskilled person get out of the rut. But the difference between us and Dr Hewson is he wants to leave them in the rut, cut their wages and leave them untrained.

FC: Prime Minister, what's your jobs growth prediction now for the next Budget year in the light of some of the grim news and the bad economic figures we've been hearing?

PM: We're now redoing them for the Budget, and the Budget is a month away.

FC: OK. Just on the Budget, since 1987 we've been hearing lots of promises, especially as far as jobs for young people are concerned. What are you going to offer Australia's youth in your Budget coming out in August.

PM: I was Treasurer for eight and a half years. When I became Treasurer we had a work force of 6 million. Even today, with the unemployment we have, we have a work force of 7 1/2 million. It's a quarter larger. New Zealand across the way, which Dr Hewson points to, has fewer people in work than they had in 1983. So we had a lot of growth, it stopped in the recession, we want to restart it, we believe that will happen, and the growth prospects for young people in that kind of an economy as we had it in the late 1980s, was very good. It will be very good again, particularly for people who are trained. Because of the nature of the economy has changed - the old industrial archaeology, bequeathed to Australia by the Liberal Party, was put asunder in the '80s for a newer, more technically innovative, product-innovative economy. And it is in that economy that people will have to find their place, and they'll find it basically by being prepared for it and not forgotten by governments.

FC: So you're still optimistic that by the time that we try to get the huge amount, that you admit, of unemployed that are there through training courses, which we hope to hear more about from the result of your Jobs Summit, the economy up will be sufficiently enough to provide the jobs for them?

PM: We're not saying we can eradicate unemployment in this area overnight. I'm not saying that. But understand that we are dealing with two streams of

problems here. We're looking at the long run, which is about high retention rates in schools, capacity for people to go through university and technical and further education, to prepare themselves for an ongoing job, and for life. That's the ongoing agenda that the Carmichael Report, amongst other things, addresses. The short run agenda is the people who are not streamed into that, because we haven't got that all up and running now, as yet. We've got part of it up and running - we've got higher retention rates in schools and universities, we're about to try to lift TAFE more. The second-run problem is to try to get the people who are, in a sense, in the middle, the ones who are not trained, haven't stayed in school, and don't have job prospects. That's what the meeting is focussing on, both the long and the short run. What our opponents in the Opposition say is forget the long and the short run, let's just slash their wages and leave them, see what happens to them.

FC: The other issue is, of course, Mr Keating, there are a lot of young people out there who are hurting, who are trying to survive on what amounts to very little, on the dole. Will you be addressing those questions of what AYPAC has also called a living income? Will you be addressing that kind of issue at your job summit?

PM: We have, over the '80s, dramatically lifted the dole, as you put it, and AUSTUDY, and we've dramatically lifted the number of people in work, notwithstanding what's happened with unemployment. And the main thing I think now, and we have aligned, we've produced a sort of common level of payment for youth, which now does not discriminate in favour of one kind of payment or another, encouraging people onto the dole, or encouraging them into something else. And I think what we'd like to do now is to see if we can overcome this problem I speak to you about, about the people caught in the middle between the higher participation and training opportunities of the new order economy, and the people in the dead end areas of no training in the old order, the remnants of the old order economy.

Q Mr Keating just to move along a little bit more, we as a signatory to Agenda 21, the environmental agreement that Ros Kelly signed at Rio, your Government has agreed to incorporate consultations with young people in decisions made on the environment. How are you going to institute that process, and would you be prepared to ...to the similar process when it comes to dealing with youth unemployment?

PM: Well I think Mrs Kelly will come back to the Cabinet as required on that subject in fulfilment of that

commitment. We accept and welcome the fact that young Australians have a very keen view about the environment, which is wise of them, and it is a good thing for the political system that they do. I only hope that those of us in the higher echelons of the system can live up to their expectations about the environment and keep the environmental changes coming through. But consultation has been part and parcel of the way this Government has functioned, we believe you can't change Australia without getting a consensus on subjects, whether it be on wages, on inflation, on fiscal policy, on trade, on anything and the environment is part of that. And the ESD discussions we have been having are basically about that ecologically sustainable development, it is basically a process, a consultancy process, a cooperative process to look at environmental issues.

Q: So Mr Keating you are a strong believer in consensus way of running your Government?

PM: Well we have done it now for a decade just on, and I think if one wants to hand down the tablets from on high, govern by press release and administrative fiat you won't get the changes that we were able to get through the accord with the trade unions, I mean the great changes of the '80s in policy support for women, for the aged, childcare, aged care, occupational superannuation, medicare, all these things form a cooperative program, and I don't believe that you can break structural impediments, road-blocks in an economy like this without harnessing community support. When a Government wins an election it gets the keys to the kingdom, but it doesn't get the kingdom, it has got to draw the power down from the community and you can only draw that down by some sort of cooperative, discursive framework.

Q: Well Mr Keating just on an election, will we have an election Budget first of all? And secondly any tips on when we can expect an election, and why should young people vote for you in the first place?

PM: Well the reason young people, I think, should vote for the Government, whenever an election is held is that we have been the ones to tackle the fact that Australia did become an industrial museum that gave them no hope and no participation, that has made it into a more interesting country, a more interesting economy, now with low inflation and long term low inflationary growth prospects and with a better chance of being able to pay for our imports, and hence pay for ourselves. In doing that we set up a new economy with a decent social wage, where we are not hopping into the unemployed, kicking them out after nine months as Dr Hewson would, where we are not going to make those who are sick pay through the

nose particularly if they are low paid. We have tried to change the economy to a modern order economy but do it with a Labor heart. I think that is why they should vote for us and on issues like the environment we have been the only party to break the big barriers on the environment with those big brush strokes, big milestone changes of the '80s, the last, including one that I was involved with, that is the preservation of the Antarctica as a wilderness park was a great achievement.

Q: Well Mr Keating it sounds like the main reason that young people should perhaps vote for you is because rather than all the positive things that you are achieving it's perhaps all the negatives of what could happen under Dr Hewson?

PM: No, no. We have given young Australians a future. We have given them a place in the fastest growing area in the world, the Asia-Pacific, in an economy which is now externally oriented and has a potential for a lot, over the longer haul, vitality at lower rates of inflation and where we can see lots of interesting jobs created in the manufacturing and services sector of the economy which is providing employment in cities and regional cities of Australia where most people live. That's why they should support the Government and in doing it in a way which is socially accommodating. Our opponents are basically in a survival of the fittest mentality. If you are not a millionaire you are a lay about, if you want to work we will slash your wages and then you might get yourself a job, we might be able to find you a job, you won't be able to live on it but it doesn't matter we might be able to find you one if someone is good enough to give you one. If you want to put yourself through university you have got to have parents who can provide \$12,000 to \$13,000 a year for a university place. This sort of hardhearted approach won't do anything for Australia, and Australian young people.

Q: Do you understand why so many of Australia's young people are disillusioned with policy, with what they see in Question Time, do you understand why so many of them think well neither of these people really understand what's going on outside, they don't understand me and how I live on the dole?

PM: Well we try and understand them and we try and remedy their position, I say we the Government. But what we have certainly done we have done as no other Australian political party has done and taken on the big problem of Australian politics, that is a change of the Australia economy from a dead-end economy to a live-end economy in the Asia-Pacific, which in the long-run gives them a life long chance, now everyone else laid down on the job in the '60s and '70s and

early '80s and this huge structural transition to a better place with more interesting jobs and higher incomes is the thing we have done. And we have also said three kids in ten completing secondary school not good enough for us, can't have a smart country, a clever country with only three people completing secondary studies, that's now as I say seven going eight nearly in ten and we have added 50 per cent of places to universities we have created the equivalent of twelve new universities since 1985, 120,000 places, we have got about 35 or 40 per cent of students coming out of secondary school now going through universities and we are now trying to pull up TAFE. No-one else did this the Liberals were happy to leave it and say seven in ten of you, we are quite happy for to drift out of school and not even complete secondary school and untrained, unskilled left in the furrows of the old Australian economy, I mean we didn't do that, and that's why I think that if young Australians want to look at the process they are entitled to be questioning about it but they are not entitled to be cynical about it, because if ever there is a group of people have taken on the structural change that no-one else would tamper with because it was just too hard, we have, but we have included them in it by saying it was totally unacceptable to just leave them, seven in ten of them leave school unprepared.

Q: Mr Keating it sounds as though an election might be in a lot closer then some people are thinking?

PM: Well you keep talking about an election, there is no election imminent anywhere.

Q: Well do you think, I mean a lot of people are saying.....

PM: This has got nothing to do with elections whatsoever.

Q: But still a lot of people are saying that it seems that the young jobless are becoming the latest political football with an election in mind?

PM: No, no. I took this issue up, youth and entry level training wages with my colleague Kim Beazely, the Government has been looking at this question now for a few years, we are the ones that took up high participation rates in school and in post compulsory education. I am the one holding the discussion to try and get some of these areas broken through. The football comes from Dr Hewson jumping on the band wagon, not with a solution to the problem but just trying to slash their wages and leave them, so don't mix him up with us. I mean we are about a long run change here of quality and we are the only people

who have initiated it and as usual will be the only people to complete it.

Q: Prime Minister we have a whole stack of letters and things we will pass on to you that outlines the questions that have been asked, just to try and wrap this up though the environment has been a big one, it is something which we get quite a lot about, can you just tell us can the Government in some way match up caring for the environment with jobs for young people?

PM: Well I think so, one of the things we are looking at is a proposition in employing young people in land care type jobs and training situations where the environment, where they can do something that is related directly to the environment. It is one of the options that we will consider for this meeting, but it has its complexities in establishing it, in managing it, but it would directly be of value.

Q: Well just finally, of course music was another thing that is very strong as far as Triple JJJ is concerned we would like to ask you if you have, are you aware of much contemporary music?

PM: Well not as I used to be, I am an old rocker not a young rocker.

Q: Well we were wondering if you have a particular track that you might like to suggest that we can play for you?

PM: Well anything from INXS, I have had a bit to do with them over the period, I like them.

Q: And they are probably quite an appropriate one as well, Mr Keating also we have a gift set for you celebrating the ABCs 60th anniversary we have a CD set from the Sydney Symphony Orchestra and for your son ...

PM: What's in it?

Q: That's something you would have a much better idea than I.

PM: Let's have a look.

Q: Any good stuff in it?

PM: I can't see the title, but there is a lot I recognise here. Dance Russian Spectacular, Romance overtures, but I am afraid the titles are buried in the box.

Q: Well that's something which can be a surprise later on, we also have for Patrick your son who we hope is

a bit of a Triple JJJ listener we have a couple of things for him including a T-shirt, cap etc we just interviewed John Hewson, I believe he has sworn that he is going to wear his Triple JJJ T-shirt whilst jogging, so maybe we can see you wearing Patricks a bit later on. And also of course the letters that we have received from our listeners and we hope that you will actually read these in the lead-up to your

PM: I do, I read a tremendous amount of correspondence that comes through and particularly things which are topical as the jobs meeting is, and where young peoples views are to be considered and considered carefully. So we will do our best with it, but the main thing I would say to you in conclusion, and thanks for having me on, is to say that we are here for a long run change and a short run change, two streams here for people, but basically to repair themselves, a vocational education for later on in their life, to give them a real life with an interesting job and good pay.

Q: Well Mr Keating there is a lot of young people out there hurting so we just hope that you are right. And again just thank you, at the risk of sounding like John Clarke, Prime Minister thank you for talking to me and Triple JJJ will always welcome you back if you would like to talk to us in the lead-up to the next election at whatever stage that may be.

PM: Thank you Francine.

ENDS