



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP
INTERVIEW WITH DERRYN HINCH, CHANNEL SEVEN
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DH: Prime Minister Keating, good evening.

PM: Good evening Derryn.

DH: You called it, did it work, or should I say will it work?

PM: Well it was as good a meeting as I think we could have had, all the people who are material to this issue being resolved, that is the two issues, the long run training from school to work, and picking up those young people for whom that transition will come to late. That is, those who are currently unemployed, all the people that need to be talking about that were at the meeting today and it was a very good meeting.

DH: The instant criticism you will get from people is where are the jobs, we have to have them now.

PM: Well that's in terms of the current young unemployed, that's about 125, 000 of them. But we are doing two things, yesterday as part of this I announced a very big breakthrough with the Commonwealth and the States forming a National Training Authority. Now what that will do is put into place along side the universities a technical and further education system of substance, and quality, and status to take kids from school to work, to train them in school to work in the long transition, which we have been trying to arrive at for many years.

DH: With this \$720 million for TAFE, I remember some months ago you were sort of bullying the States and saying if you don't come along with me we will start our own system and freeze you out of the money, right?

PM: That's right. Well you have got to push and shove to get anything done Derryn, and we said to the States,

look, we don't mind this being cooperative but it has to happen. We can't leave kids, half of the school leavers about 150,000 each year untrained, we can't let this happen. Because the jobs for untrained people which were around when you and I were kids are not there now.

- DH: But you have said recently that we are the first computer generation that's hurting the job pool etc, we can't train kids for dead-end jobs. But there are people out there now who will take even a dead-end job.
- PM: But the job doesn't exist Derryn. What was your first job in journalism?
- DH: My first job was as a cadet for a newspaper.
- PM: Well mine was a clerk. Yours may still be there, but mine certainly isn't. I think most of those jobs are not there at any price, they are gone. Because basically the jobs are done by machines, by computers, by facilitation. So, the trick now is for the jobs that are there, the trained jobs, they are only going to be taken by people who are trained and yet we left so many young people untrained. So what today was about, and yesterday, is getting the kids out of school who don't go to university to train them for these jobs.
- DH: There is an irony here that Malcolm Fraser, when he had high unemployment figures, he would say things like stay in school, keep them in the schools longer. Now you are saying, it didn't work for him, you are saying stay in various training courses, stay in school as well.
- PM: But it has worked for us. When we became the Government three kids in ten completed school, seven left untrained, not even at secondary level. Now that is seven in ten completing secondary school. We hope soon it will be nine in ten, and they will go into university in the 50 per cent extra places we have created and they will go into a modernised technical and further education system. In other words, in a period of seven or eight years Derryn, in Australia we will have made a twenty year educational change in about six or seven. And it is those people, young people forgotten in the days of Malcolm Fraser, seven in ten not completing even secondary school, let alone university or TAFE, they are the ones to be picked up. But the ones for whom that transition have left behind, that's the 120,000 who are unemployed now.
- DH: There's nothing for them.
- PM: Well that's what today was about as well, that was trying to set up traineeships and work experience and

training opportunities to have business take those people up.

- DH: Whenever you give business a hand it looks like you are handing just more profits to business even when times are tough. But why don't you bite-the-bullet and do things like get rid of the 17.5 per cent holiday loading which would make factories and other businesses, take a lot of pressure off them come the Christmas holidays? Why don't you do that?
- PM: Well because in this, I think someone made the point today that holiday leave loading represented I think four cents an hour for the employment of a young person. I mean compared to the rates we are talking about it is an infinitesimal change.
- DH: And yet small businesses and factories they tell us that come Christmas they dread it because they shut down for five weeks and they have got to find all that money, that 17.5 per cent for every employee all the time.
- PM: The people who are likely to be picked up in employment here are people who would not be largely commercially employed. That is, we will be offering as a result of this meeting, young people the possibility of work experience and training and possibly linking that to a job later. Linking that to an employment opportunity later. That is, training with employment and going on to work experience. Now that is the way of getting people back into the workforce, many indeed for the first time into the workforce, and that will mean we will have to agree to a structure which business will take people up in.
- DH: And that's for stopping the rotten future, but it's not helping now.
- PM: No, no that's for now. This is for the current group. You see a lot of today's discussion was about how we settle on a set of wage arrangements which fix the current group of unemployed, while at the same time being part of the longer run transition.
- DH: This is the \$3.00 something an hour training issue?
- PM: No, that was John Hewson's thing, we rejected that. The meeting rejected that today, and the young people rejected that. They won't live on \$3.00 an hour.
- DH: No, I am saying the \$3.00 in addition to whatever they are earning, if they are in training they may be earning \$4.00 or \$5.00 an hour, but then if they are doing some other work they will get extra?
- PM: Well we are looking at a minimal level of pay, but with training involved. Whereas, under John Hewson's

proposal if you pay someone \$114.00 a week, which is less than \$3.00 an hour, and then they work three days a week and have two days training they are only getting three fifths of \$114.00, they are getting \$65.00 a week. In other words, under our proposition we are looking at propositions where we give people work experience and training. So they are not just getting some work experience and then it dies and finishes but they get an accredited training to go on and transfer their skills to some other place.

DH: Mr Prime Minister, what about payroll taxes, now that's a State issue I know, but why not put pressure on the States to say wipe your \$5 billion in payroll taxes around the country on the condition give say, 50 per cent of it back to people who hire new young staff, and may be 25 per cent or some figure to people who invest the money that they save in new equipment, what about those sorts of plans?

PM: I don't think that's the real problem. For a start I don't think that State budgets could stand that kind of loss in revenue, but I don't think that's the problem. The problem here is that the jobs for young people untrained have largely disappeared. And people will put them on, provided that it suits them, and we say we only want to see them put on if they get training experience to give them accredited training to take to another job, in other words we give them a future. The Government doesn't mind therefore coming to the party with a job subsidy, to be in there to encourage an employer to put them on, to give them that work experience and that training, and that I think is going to matter. Now if States wish to give relief on payroll taxes, a matter for them Derryn, but most of them can't afford to.

DH: I think Joan Kirner who can afford it less than anybody, has said she'll consider it.

PM: Well, and good on her, but I think that won't be the key thing. Even if they said look the payroll tax is off, employers are not going to hire unskilled young people for jobs that are not there. They'll only take them on as part of dealing with this problem, that is from an Australian fairness point of view, trying to do something useful to take these kids up and give them experience, and where we can train them and give them a future.

DH: Now all is obviously going to cost you money, may be a lot of money, have you been tempted to renege and to wipe the promised tax cuts?

PM: No, no, the tax cuts are further out and these kinds of changes can be made without any problem in relation to the tax cuts. There's also propositions been put to us to raise income tax levels. But the revenue consequences, the revenue benefits are so small as to not matter in the general run of the size of these budgets. We can do this, but what we want to do is something good and sensible and structured and planned, that does something real about this group of current young unemployed people but at the same time fits it into the longer run transition.

DH: What about some of the other things that have been floated recently, and I don't necessarily agree with them, like youth corps or peace corps or conscription?

PM: That got a run today and had a lot of support at the meeting. That is had support of the National Farmers' Federation the ACTU, Archbishop Hollingworth, people looking at rural employment schemes, provincial employment schemes, regional employment schemes.

DH: Are they a chance?

PM: They're a chance. Yes, they've got a place, I think they've got a definite place in the scheme of things.

DH: ... that didn't they, with tree planting and things like that?

PM: Particularly in regional areas, where there isn't the urban industrial base and in provincial areas, in some the provincial cities where local government can do things immediately and well. As well as the States, in regional areas. So I think that is something which did have a fair degree of support today and which I think we can usefully do.

DH: Have you ever been unemployed?

PM: I was for a while, yeah.

DH: What happened?

PM: Well it's a pretty lousy feeling. I actually know, I think I know what people feel, because you do feel as though the doors are all shut, that no-one wants you. It's a terrible feeling. I think its got to happen to you to know what it's like.

DH: One of the biggest criticism of Canberra, and you get it all the time, you're in your ivory tower, you're too far removed, there is that famous quote from Margaret Whitlam once who said that inflation was a lot of hooha. Do you wear any of that, do you accept any of that?

- PM: Well I was unemployed at one stage for about six weeks, and it's a pretty unpleasant experience knocking on doors trying to find a job and sort of at the time no-one wants you. You get the feeling awfully quickly there's something wrong with you.
- DH: Now I say to you, people who talk about the Summit that's been on the news tonight and people talk about it all this week. Say you Paul Keating, as a father, not as a Prime Minister have a teenage son who hasn't worked in six months and has a mate who hasn't worked and maybe a girlfriend who hasn't worked. What do you say to him to keep his spirits up, or get them back up?
- PM: Well I think you've got to say something real, and that is the government's got to do something that defies the commercial judgement of a business that would otherwise not hire them.
- DH: But if you say that the Government's got to do something you're son's going to say that bugger Keating in Canberra, I mean what do you say to your son to get his spirits back up and to say to him, OK this is how you can get through it.
- PM: Well the main thing is growth, economic growth, as the thing gets going, the main thing is to train people. That's why the higher retention rates in school is the right thing. They then get training in universities or technical education and they find the trained job. It's the untrained jobs that's the problem. And it's the ones who are now untrained, that have fallen out of school, that where trying to pick up. When I say that the Government are doing something, I mean in the context of business and the unions and community groups to find these employment experience and training.
- DH: One last quick question, we are running out of time. This was the Youth Summit. What about the 400,000 though, the long term unemployed, who will be unemployed some of them through 1995-96?
- PM: Well that's where in the budget we will look at labour market programs for the mature aged unemployed people. The big remedy to unemployment Derryn, is obviously economic growth. The economy is already growing, we probably will clock up the better part of 2 per cent for the year June. That's faster than Europe's growing, it's as fast as North America's growing. We'll probably grow faster next year. But there'll still be those people, who you correctly identify who are unemployed, and the labour market programs, that is the work experience and support programs of the Commonwealth, this year already, are handling about 400,000 people. And we intend to look at that further in the budget.