



# PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP  
INTERVIEW WITH RAY MARTIN, "A CURRENT AFFAIR", CHANNEL 9,  
WEDNESDAY, 4 MAY 1994**

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**PM:** ... we've had nearly a couple of million job growth in the 1980s and we have held those jobs, but we didn't grow enough jobs to take everybody up and we have lost some as well. We lost some jobs, largely we kept the 1980s employment gains, but what happens in every recovery is that the new entrants to the work force are rarely the long-term unemployed.

**RM:** Now, you have got to live with this, of course, you said back in 1983 you said that you inherited the worst recession in 50 years with three quarters of a million people unemployed. Now we have got almost a million unemployed.

**PM:** Yes, but in those days we had a work force of 6 million and now we have got a work force of 8 million. So we have put 2 million jobs in during the period, Ray. Now, sure unemployment is too high and the economy is now growing reasonably strongly and we have seen nearly a quarter of a million jobs created this year. But, the problem is as in the 1980s, the people who go into those jobs are not the long-term unemployed. Someone who has been out of work a year or eighteen months starts to lose their self esteem and their confidence and the employers think that they are not employable. So, this is focussed to pull them up and give them a chance.

**RM:** Well, you talk in this paper of half a million out of work by the turn of the century, is that the figure for the hard core unemployable?

**PM:** No, we are saying that if we do nothing there will be 300,000 people, long-term unemployed still out of work by the turn of the century - which is too much.

**RM:** The figure is half a million.

- PM: We are looking at the prospect of getting to 5 per cent unemployment by the end of the century.
- RM: And with the normal rise in the work force that would be about half a million wouldn't it?
- PM: No, it would be much more. It would be well over one million, Ray.
- RM: All right, how does that sit then if you accept that more than a million are, in fact, going to be out of work, how does that sit.
- PM: No, sorry, well over one million jobs will be created to get down to around 5 per cent by the end of the century.
- RM: And is that figure about 300,000 out of work by the end of the century or 500,000?
- PM: Well, 5 per cent of the work force then would probably be about 500,000 - 4 to 500,000.
- RM: PM, how does that set then with you claim that in fact every Australian who wants a job can have one?
- PM: Well, it is the time people are in the pool, Ray. Let me give you an idea about this. By the time we got to the end of the growth phase of the late 1980s we still had unemployment of about 6.5 per cent, but the average duration in the pool was only a few weeks. I think three weeks on average from memory. The problem we have got here is a long tail of people who have been forgotten. They have lost their esteem, their skills and their job readiness. This is about picking them up, intensively case-managing them, training them and placing them in a job.
- RM: All right, but again with respect, to say that every Australian who wants a job can have one under this program doesn't it sound a bit like Bob Hawke's 'no child in poverty in 1990'?
- PM: No, what we are saying is that the aim should be that if we can grow the Australian economy quickly enough that we ought to be able to take up more than just simply new entrants to the work force. We ought to be able to buy down, wear down, the pool of unemployed.
- RM: This is as you say, if this is the best of all possible worlds, if business, if unions, if the unemployed work with you and if we don't have a disaster.
- PM: Yes, but remember what we are doing here. We will be case managing, we'll have somebody in the CES or a private case

management business case managing personally over half a million individual people.

RM: How is that possible without an army of public servants?

PM: Well, there will be a lot of people involved in that, I wouldn't say there would be an army involved. There will be a lot involved, but unless you actually take somebody in and talk to them, know about their personality, about their qualifications, about their work experience, about their education, it is not really possible ... You see in a rigid national system which to some extent is what we've had, somebody who turns up at a CES counter, say somebody 45 years of age, might have two or three children, he's just been caught up in a system and it doesn't really find out their skills and place them properly.

RM: But we accept that and it is a dreadful situation for those men and women in that situation, but 300,000 people have got to have individual case management.

PM: 500,000.

RM: 500,000 individual case management.

PM: Next year 504,000.

RM: All right, what about the training wage you talk about. How much is that going to be?

PM: That will be decided in the next week or so with the ACTU. There are three principal elements to this Ray. There is a job compact for the unemployed of 18 months or more. Then we have got two things on the youth side:- the Youth Training Initiative for young people unemployed under 18. We will case manage every young person unemployed under 18. That is, every young person in this country who is under 18 years of age and unemployed, we'll pick them up and speak with them, train them and case manage them. The other element is Entry Level Training. We are going to start vocational preparation in Years 11 and 12 at school. That is, away from school on the job training during school years - Years 11 and 12 - and the training wage is an attempt to engage another 50,000 trainees and also pull kids in from their last school years and skill them.

See, the great change Ray, I think, people need to remember, is when you and I were teenagers there were many jobs for unskilled people - 15 to 20. That is all done today by computing equipment. The sort of industries, the clerical jobs, and a lot of the message carriers; all that's gone. So, now what we have to do is regard 15-19 as a period of vocational preparation. We want 95 per cent of kids completing secondary school by the Year 2000.

RM: All right Prime Minister, let me just get specific for a moment then. We had last night we spoke to a man in Launceston who heads the Unemployed Workers Union. He has been on the dole for ten years. Have a listen to what he said and tell me how the White Paper is going to effect him.

"... The fact is that the jobs just aren't out there and it is about time ... you know, I just get sick of playing the game and pretending, going along with this fiction that the jobs are out there if only I knew how to write a better job application letter or I knew how to apply for a job. I was trained for one of these jobs that didn't exist.

RM: But would you do any job? Get fair dinkum, would you do any job if someone rang up tonight?

"... No, I wouldn't just do any job. No, bugger it. Why should I? I mean, I'm not going to do a job that pays terrible wages or has got terrible conditions. I am a human being, I'm not a slave.

RM: Prime Minister, you have said today that you are going to get tough. Will he have a choice or will he have to take the job you give him?

PM: He will be a job compact person. He would be intensively case managed, there would be a training course recommended for him and there would be a job subsidy and if he doesn't take the job, under this proposal there is a reciprocal obligation on the part of the unemployed person to take any reasonable job offer.

RM: Or he goes off the dole?

PM: There is a set of penalties then where then he loses so many weeks for the first time he refuses and a greater number of weeks for the second time and it goes on in that vein.

RM: It is not up to him to decide whether he accepts the wages or the conditions. He has to take what he is given finally?

PM: Well, he has got to take what he is given because what he is given will be, because of the case management something that will suit him and if he is unskilled, I mean probably his reason for not being able to find a job is because the economy has changed from an economy that used to have unskilled jobs and many of them, to an economy now which has got many more skilled jobs.

RM: He says in fact, he lives in Launceston and he says there are no jobs in Launceston. If you find a job in Burnie or Hobart would he have to go there?

PM: No, this would be one that is within reasonable distance of where one lives.

RM: But, there are hundreds of country towns around Australia like this. You say that most of the jobs are going to come out of the private sector. They say these country towns, I'm sorry, there just aren't any jobs.

PM: There is never going to be an evenness of jobs right throughout the country Ray, but in every classic recovery particularly where you have got a high profit share in the economy and wages set right - which we have now - we will get employment growth - we have already seen it as a quarter of a million jobs this year as the economy starts to pick up. Now, there will be a lot of aggregate employment, but will these people be part of it and the answer is without this - no, they won't be.

RM: All right, on behalf of 950,000 unemployed Australians I wish you good luck.

PM: Thank you very much, Ray.

RM: Thank you Prime Minister, very much.

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