



# PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP  
INTERVIEW WITH SARAH MACDONALD, RADIO TRIPLE J, 5 MAY 1994**

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**SM:** This is quite a major initiative done, you are addressing Australia's biggest problems. Is it the most important policy you have ever released?

**PM:** It is very hard to qualify the various statements. I mean, I think, probably the most important things in terms of the long run future of the Australian economy were done when I was Treasurer, and more recently, restoring the economy to the growth with One Nation in 1992. But this is an important statement of social policy. What we are saying here, we are not as a Labor Government prepared to leave a body of people 350-400,000 long term unemployed people carry the brunt of economic change and economic adjustment.

**SM:** When we look at people who are under 18 and who haven't got a job under this scheme, they will now get a new allowance instead of the dole, but it will be about the same amount of money. What's the point?

**PM:** Well, the thing is, we will now case manage, that's personally, every young person under 18 who is unemployed. So, every young person who is under 18 and unemployed will have a relationship with a case manager, who will get to understand their personality, their educational attainment's, their work experience, their aptitude, what things they might be able to do, what training might be able to be given to them, what job placement might be able to be had for them, rather than being part of simply a relatively rigid national system of management of unemployment, it will be this personalised basis. And we think that because the economy has changed so much in the last ten years that a lot of the jobs that might have been available, say then, and ten years before that, for young people are simply not there. So, they have to be trained and they have to be managed.

- SM: Well, on this training allowance it will be about \$120.00 a week, it will depend on your parents income, but it won't change whether you are doing training or not. How do you think young people are going to go to work every day, a training place every day, clothe themselves and buy lunch on that sort of money?
- PM: Well, there are two things we are talking about here. We are talking about the youth training initiative, which is picking up unemployed people under 18 and giving them case management, training and a job placement, and there is the traineeships for people who are in work, and who are doing training. And as you know, the Government announced yesterday that it will be developing a training wage. The training wage will be well, by a very big margin, above \$125.00 a week. Now, that training wage will provide on-the-job training and it will be, I think, a great advance. That is, a single rate across all industries, not just a multiplicity of training rates, but a single rate across all industries for people who are in training.
- SM: Now, if people are in training and they drop out they will lose that wage. Are you worried that employers will exploit them knowing that they can't leave?
- PM: No, I think the retention rates we are seeing with these labour market programs is quite high, and with case management it will get higher. That is, a greater proportion of people remain employed, and their self esteem goes up, and their feeling about themselves improves, and their capacity improves, and their value to an employer improves. The alternative is to take the heartless view that you see from some of these right wing people, say, "forget them, forget them, if they are not good enough to go through the school system and into university or TAFE, forget them."
- SM: At the end of a training period you are giving an employer a bit of a lurk, \$500.00 if they keep the person on. Do you think that will be enough? I mean, how can you ensure that such programs mean real jobs and real careers at the end of training?
- PM: The real jobs don't come out, what you call real jobs - this package is about training people who are disadvantaged who have been unemployed. It is not of its essence a job creation package, it is not supposed to be.
- SM: So you are relying on the economic recovery to find the jobs. When do you think that will happen, though?
- PM: Well there is a quarter of a million come through this year. A quarter of a million in the last 12 months.

SM: How much choice will people have in this individual case management when they are put on a training program? Say if a young person wants to manage a rock band, instead of being trained in tourism, how much choice will they get?

PM: Well, it depends what their aptitude is, and what their interests are. I think that a case manager may respond well to somebody who has got some real musical capacity and some real management ability. But they won't respond well to somebody who wants to be a rock manager, but doesn't understand the music or the management, or doesn't have, seemingly, enough of an educational standard to be able to do it. So, there is in all these things, and particularly the job compact for those unemployed 18 months or more, there will be a great effort by the Government and the Commonwealth to case manage people, to give them training and a job subsidy and work experience. But there is a reciprocal obligation to take any reasonable job offer.

SM: Well, what sort of reasonable job offer would that be, though? If it was in something they are totally not interested in, would they not have to do it?

PM: They would have to do it.

SM: They would.

PM: They would. Otherwise we would be saying, well look, we will carry you financially while you decide whether you will do something or not. And remember here there is going to be a big effort in case management. The subsidies for these people will be up to \$260.00 a week if they are unemployed for three years, if they are unemployed for over 18 months, over a year, that is \$230.00 a week. Plus the costs of a training place in TAFE, it is a big public expense, and therefore, I think, people have got to say, "ok I will take what I can do, and what the case manager works out with me." It depends on the relationship that the person is going to develop with the case manager as well.

SM: When young people and the long term unemployed are in training they won't show up in the unemployment figures. I mean, forgive me for being a bit cynical, but they will make the figures nice and low for the next election, won't it?

PM: Well I won't forgive you for being cynical. Because if you think the Government is taking on this sort of work, have you see this White Paper ..

SM: Yes, I have.

PM: Have you seen the work in it? I mean, it was an enormous amount of ministerial time and effort in this. This was something that I made a

commitment to in the last election campaign. The fact is, this Government will not accept the notion that comes from the Liberal Party and others that what we ought to have is basically a low rent, low wage society for people on the outer, and if you are really on the outer, too bad for you. It is only the achievers who get a crack at the national cake. That sort of society breeds all sorts of fractures in social cohesion and discontent and alienation, and it is simply unacceptable. That is why the Government is doing this. It is not about the unemployment numbers per se. But can I just say earlier, like, you were seeming to cast a doubt upon the fact that there won't be enough jobs in the economy growing. I will just remind you that between 1983 and 1993 we had, in this economy, 2 million job growth. Ten years ago, eleven years ago when I was first sworn in as Treasurer we had a labour market of 6 million people. That is 8 million people today. Even with the unemployment we still created 2 million and hung onto them. So, already in this year we have seen 250,000 job growth. The economy is growing at 4 per cent, we are growing as fast, just about, as any other western country in the world. So basically the aggregate employment growth will be there, but the point of this policy is to make sure that everyone gets a crack at the stream of jobs.

SM: And they are ready for those new jobs. Well, as the man in charge of the economy, where do you think those new jobs are? If you were looking for a job now and you had just left school, where would you be going?

PM: The kind of jobs that were available when I was a teenager are not around now, because they have mostly been taken up by data processing equipment, and by fax transmission. I mean, all those transmission jobs which were around in the banking system, in the public service, in the 1960s, they are not there today, in retailing, they are not there today.

SM: Which jobs are there today?

PM: Trained jobs are there today. People with skills are there today. I mean, you look at the 1980s, we had no problem taking up large bodies of young people who were trained, but we will have problems taking up people who are untrained. And that is the point of this policy, we are saying, for those who wish to be in structured training, there is the traineeships and the training wage, and for those who are already, say, 16-19 who are unemployed there is a youth training initiative which will pick them up and case manage each one. So, we are saying that the period 15-19 should be a period of vocational preparation. That nobody should believe that you leave school at 15 or 16 and you go out there and try and get a low paid job. You stay in school or you stay in structured training until you are in a position to take a job which this economy will now offer you.

SM: I was just wondering if you could give us, perhaps, a bit of a hint about where you think most of those jobs are going to be, though, so people can get themselves ready if they are still at school?

PM: 80 per cent of Australia's national production is in the service sector of the economy. What is happening as Australia gets larger and wealthier, we are seeing greater sophistication in services, we are seeing it every day of the week ...

SM: Ok, the service industries. Thank you very much for your time to Prime Minister, good to talk to you.

PM: Pleasure.