



## **PRIME MINISTER**

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP  
AUTOMOTIVE, FOOD, METALS AND ENGINEERING UNION CONFERENCE  
SYDNEY, 27 JULY 1994**

Let me begin by saying how good it is to be with the members of one of Australia's great unions, the AFMEU.

As a Labor Prime Minister, I very much welcome this opportunity to speak with you today for yours is a union that has led the way in workplace reform.

You have played a vital role in preparing the Australian workforce for a new century.

You were the first union to put in place skills-based career structures.

You were at the forefront in implementing occupational superannuation.

You were at the forefront of restructuring unions.

I understand that you will soon be making another attempt to amalgamate with the PKIU.

From what I hear the PKIU is ready to take a positive approach to the issue, and that's encouraging for all concerned.

We are now less than six years away from a new century.

Clearly, what we do for the remainder of this decade will determine the sort of Australia that enters the twenty-first century.

This Government has been out there driving the changes that will make sure Australia remains a great place to live and bring up kids.

Over the past year, we have undertaken more activity than probably any other Federal Government be it securing the Mabo legislation, getting agreement to implement the Hilmer Report, building up APEC, or introducing the raft of initiatives contained in the White Paper.

We have sought to build structures both inside and outside Australia that will deliver long term gains for all Australians.

If, as a nation, we can remain comfortable with change - keep change our friend - then change won't be forced upon us.

If we can anticipate and prepare for change, then we will have greater control over our future.

It will be our future and not an imposed future.

As you well know, with an increasingly global marketplace, the waves of change are growing larger each day and they're coming more frequently.

That can seem very daunting at times.

It can leave many people unsure about the future.

What all Australians must learn to do is surf the wave of change.

That calls for new skills, new capabilities in our working people.

It calls for new thinking, new attitudes and a renewed commitment to doing the right thing by those who will come after us.

That goes for employers and governments just as much as it goes for workers.

As we prepare for a new century, we must prepare for it in a way that only a Labor movement can.

That means we keep on board our sense of fairness, decency and compassion.

This is what *Working Nation* is all about.

The policies we put in place in *Working Nation* are Labor policies to the core.

Only a Labor Government could have cared sufficiently to make the changes that will ensure ours is a fair, decent and prosperous Australian community.

Consciously or unconsciously, and I'm not sure anyone has worked Alexander Downer out on this one, the Liberal's prescription is for two Australian societies - one for the haves, the other for the have-nots.

What's more, the conservatives are frightened of change.

And when they reluctantly choose to embrace it, it's a change backwards rather than forwards.

Only a Labor Government could have had the imagination that created the programs in *Working Nation*.

And only a Labor Government could have the commitment to see those programs through.

Where were the Tories in all this?

All they could muster were a few miserable and misplaced comments about cutting the deficit.

And we all know what that really means.

That's Toryspeak for cutting more Australians out of the picture.

*Working Nation* is designed to ensure that unemployed people share in the economic recovery.

But it will only come about with the support of all Australians including the employers and unions.

In order to expand the opportunities available to young Australians and to provide Australian industry with the skills needed in a modern economy, we have committed funding to support an additional 50,000 entry-level training places by the end of 1995-96.

These additional places will be created in training programs such as apprenticeships and traineeships, in institutional pathways and in labour market programs with a significant training component.

To prevent the very young falling into long term unemployment, the Youth Training Initiative combined with individual case management, will help ensure newly unemployed young people gain access to a suitable education, training or work experience opportunity.

Over a four year period from 4 July 1994, we will spend a total of \$10.3 billion on employment and training initiatives.

Under *Working Nation*, there will be some 645,000 labour market and entry level training commencements a year by 1995-96.

Under the Job Compact, we will assist over 550,000 people who have been unemployed for 18 months or more over the next four years at a total cost of \$4.6 billion.

During the 1995-96 financial year we expect to place some 160,000 people in the Job Compact, with around 100,000 in subsidised jobs under either Jobstart or the National Training Wage, and 35,000 in New Work Opportunities.

A training wage will provide an important option for employers and another avenue of choice for young workers and unemployed people.

The training wage will be particularly valuable for those without existing entry-level skills or qualifications.

And it will only apply where the training is structured, portable and certified.

By 1995-96 there will also be some 360,000 labour market program places available for non-Compact unemployed people a year.

And Government funding will provide support for some 94,000 apprentices and trainees.

Of course, all this won't happen overnight and it won't happen without the support of unions like the AFMEU.

With your backing we can deliver the outcomes of *Working Nation*.

Where would we or, more importantly, where would long term unemployed people have been under the Liberals?

Even the warm and fuzzy version of Fightback would have cut \$790 million from support for unemployed people.

Fightback 2 wanted to delay the savings by 12 months.

That would have meant they'd be introducing their cuts about now!

Fightback would have reduced spending on labour market programs by more than 25 per cent - that's the equivalent of 150,000 places.

Under the Coalition's AUSTRAIN proposal, unemployed people would have been paid as little as 70 per cent of the award wage but with no obligation on the employer to provide any training.

Would the Coalition have been capable of implementing an enterprise bargaining system that protected workers but was also good for the economy?

Would the Coalition have been able to map out an Accord with the union movement that would have as its minimum goal 500,000 new jobs in the three years to 1996?

Would the Coalition have delivered an agreement with the union movement to support a package providing two Safety Net Adjustments of \$8.00 a week, one in this year and one next year?

Would the Coalition have agreed to work with the union movement to look at new ways to assist families?

It is through the Accord that we are cementing low inflation as a feature of the Australian economy - low inflation critical to creating more jobs and rising standards of living over the long term.

We've been able to make progress on enterprise bargaining because of the support from the union movement in the broad and the AFMEU in particular.

It has been the Metals Industry that has led award restructuring, workplace reform and enterprise bargaining.

Since 1991, we've seen around 700 finalised enterprise agreements in the Metals industry covering around 160,000 employees and accounting for close to 40 per cent of all enterprise agreements.

And while much of the reform has been in the medium to large enterprises, I understand the AFMEU is discussing with the MTIA how enterprise bargaining can flow through to the smaller enterprises.

Enterprise bargaining has become the primary focus for wage fixing and a vital catalyst for workplace reform.

And that's why we want to see 80 per cent of employees in the Federal award sector covered by direct bargains by the end of 1996.

It's also why we've set up a new program that will help unions and business alike to negotiate workplace agreements.

We've ratified a number of ILO conventions and changed the way the Industrial Relations Commission functions.

We now have an industrial relations framework that will deliver the labour market flexibility and productivity growth that is essential for strong and sustainable growth.

The whole thrust of these labour market and education and training reforms is to ensure unions have an organic role in the labour marketplace.

These reforms are backed up by a superannuation system that will ensure all Australians, and not just the wealthy few, have greater security in their retirement.

We've also introduced a child care rebate, a home child care allowance and a parenting allowance.

And last November we cut taxes.

But we didn't stop there.

Would the Coalition have been capable of introducing industry policy initiatives that will build competitive firms and create more growth and more jobs?

*Working Nation* recognised that industry policy can't be developed in isolation - that industry policy depends as much for its success on macro-economic, industrial relations and trade policy, as it does on specific industry development and support measures.

Industry policy is about encouraging the development of those characteristics critical to success in the global marketplace.

It's about creating secure and rewarding jobs in flexible high productivity workplaces.

The raft of *Working Nation* industry initiatives are good for industry, good for employment, and good for Australia.

Improving small firm access to finance and increasing research and development incentives will enable small firms to grow and employ more people.

Giving industry better access to the government purchasing market will also lead to more jobs.

And because it is new business - new products and new services - that are at the forefront of global economic growth, we're embarking on a major campaign to promote the fundamental need for innovation in everything a firm does.

And that includes seeking out the ideas of those who are down there on the workplace floor.

It's about tapping into the imagination of all workers.

We want to drive the industry innovation debate over the coming years.

The policies we are embarked on are Labor to their core.

The task we now face is to drive home the White Paper changes over the coming 12 months.

We want to make the policies outcomes.

It's a big ask, but it's one both I, and my Government, are committed to achieving.

Unions, such as the AFMEU, have a big role to play in meeting this challenge. And I see the AFMEU playing a leadership role in developing flexible high productivity workplaces.

You have already taken major strides in the right direction.

And your continued support for change will ensure that this Labor Government delivers the sorts of outcomes that only a Labor Government can.

Thank you.