



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
LAUNCH OF EMPLOYMENT SERVICES REGULATORY AUTHORITY,
WILLIAM ANGLISS COLLEGE, MELBOURNE, 4 MAY 1995**

E&OE PROOF COPY

I'm very pleased to be here and I thank the William Angliss College for being our very kind hosts on this morning to launch the Employment Services Regulatory Authority. It is, I think, another one of those milestones in the history of our country, of our society, and I made the point, I think, back in the election in 1993, that the election was very much an ideological contest between those that had one view of Australia and those with another. And the view that we on this side of politics and society had was that Australia was strong enough and rich enough, and we hoped wise enough, to accept the notion of inclusion and to say that we move ahead as a society together, that we should never, ever accept the fact that some people are allowed to miss right out and fall off the back of the system, become an underclass and try and meet their way, or battle along, basically in some sort of a rut of assistance, or community assistance, or welfare, for the rest of their days.

Now, it turned out that that message was pretty well understood and received in the last election and it is true as Joan Kirner said, that on election night I said we wouldn't leave the unemployed behind, that the election was very much about activity and employment, about the whole notion that the way to fairness and equity in this country is through the right to a job and one's capacity to share in the national bounty and have a piece of the cake which comes generally through employment in this country.

So, we had a number of objectives: one to restart the economy and get it cracking, to get employment going strongly, and at the same time to look after those who have been particularly disadvantaged in the labour market - the long term unemployed. And we can say now, a couple of years down the track, we are well along the way of meeting some of those objectives. We've had 4.2 per cent employment growth over the last year, which in OECD terms is spectacular. We have had the biggest fall in unemployment in the last year, or year and a half, that we've had since we've been keeping the records

and we're now starting to see substantial inroads to the category of long term unemployment. That is, those who are long term unemployed are getting a bigger share of the employment action in this cycle than they did in any other. That's because, I think, that we've had a lot of aggregate employment because you can have *Working Nation*, but *Working Nation* without growth and employment - one feeds off the other, the flux has got to come from the employment. But not only have we had the raw employment, we've had, I think, the success of the labour market programs and actually trying to bring people who are long term unemployed back into the mainstream of the labour market.

Now, this is a matter of great pleasure to me, and to Simon Crean who manages these programs under his portfolio and also to the social security system with our colleague Peter Baldwin - it's a matter of great pleasure to the Government as a whole that we've been able to see this transformation. But the good thing is I think we're getting acceptance for the notion of the equity of it all. Now, I mean, the thing about our Tory friends is when you say equity it's like holding up the wooden stake to Dracula - they're always moving away from the word equity. But when we talked about *Working Nation*, talking about equity and efficiency, well, the efficiency word, well, they couldn't, you know, ideology meant they couldn't really leave that one behind and we said, well, where are we going to get the skills complementation in this recovery? I mean, as the recovery continues and we start seeing real strength in employment and potential bottlenecks in the labour market, where are going to get the skills formation from? And we are essentially going to get them from the long term unemployed, you know, then a group of 350-400,000 people. So we are saying not only is it an inequitable thing to do to leave them behind, it's an inefficient thing to do. That is, that the labour market will be stronger and better and that the point that Sue and others have made this morning, people have skills. The fact that they have struck a poor patch in the labour market, or they haven't been there at the right moment, or they haven't been managed properly, or they have not been understood doesn't mean that they can't be particularly useful back in the labour market doing the things that they have done in the past or are able to do in the future, or if they are trained to do in the future. And so as a consequence, we've seen now an acceptance of, I think, the concept behind *Working Nation*, which is a very revolutionary change because the whole concept of case management and the Job Compact, that is, when someone is long term unemployed, unemployed over twelve months or more, they have this right to be case managed for an individual to get to know them, to understand their aptitudes, their educational standards, their employment history, their personality, and try and match them and help them, and at the same time, then after eighteen months, qualify for the Compact where the nation makes a commitment to give them a labour market place, a subsidised place in the labour market, for a period of time provided they take it.

This is, I think, quite a revolutionary change and it did come from, as Joan said, the Green Paper consultations and the White Paper, and were able to put it into place. Now I notice today, you know, we have people still

cavilling about. I notice, Vince Fitzgerald today talking about savings in *The Australian* saying, "well, you know, the Government should have basically used the *Working Nation* money last year and put it off the Budget deficit" - you know, it's a view, but it's a pretty dull view, it's a pretty dumb view. And you say, why? I mean, here we are, we're about to bring down a Budget which is going to address the major problem the country faces in the medium term - and that is the savings imbalance and the current account deficit. That's what the Budget is going to be aimed squarely at. It's principal task is not demand management, so why did we, last year, have to forget *Working Nation* and simply put the proceeds off the Budget deficit? And there's only one reason - ideology. Ideology, that is, out of sight, out of mind. You know, the hard-hearted view, the rest of us can move on into higher incomes and better standards of living and bad luck, the sort of buffer at the end of the station, the cushion, the shock-absorber, is that 300,000 or so people can be the long term unemployed and who cares about them because politically they don't matter. I mean, that's the view. You know, it's a view those of us who appreciate the sort of country Australia is and has become should fight, that we should resist, that we don't want the Newt Gingrich view of the world here and we are not going to cop it being sort of basically parroted by people like John Howard, you know, running around parroting little right-wing ideologies dressed up so that they are more palatable. But basically down to the same thing, that is, Mr Downer as Leader of the Opposition, said *Working Nation* was an extravagance, they would hack into all the labour market programs upon which it sits and basically say that it's dispensable. Well, we don't think it is and I don't think the employers think it is because I think they see the clear value of it. But more than that, it does make us a better, stronger society to have these values. I mean, politics and national life is about values, it's not just about the Budget balance, it's not just about the tax system, it's about values. And you've got to make a determined effort when you've got - we've now internationalised this country, you've got international price earnings ratios being attached to our stocks, you've had, you know, great increments in wealth. I mean, twelve years ago, when I first became Treasurer, the all ordinaries index, I think from memory, was 451 - that's over 2,000 today. That's over a four-fold increase in real wealth for the people holding stocks in this country, and you will see that. The internationalisation of the place means that there is going to be more wealth here, and its distribution will often be uneven. That's not to say that we should comply in any induced unevenness. Rather, we should resist it and try and bring up the people at the bottom of the queue. And whether they come up via *Working Nation* or the transfer system, or support for low income families, or the singular commitment to employment, I mean, whatever it is of those we choose or choose together, these are all things that a good society does in the name of equity, decency and justice. And that's where *Working Nation* came from - it came from those concepts.

But, like a lot of things the Government has done, we are now seeking to sort of push the boundaries out further and what we are seeing here today is really a quite revolutionary change to the way the labour market works

and you've already seen, you know, the Job Compact come into place, the Youth Training Initiatives are up and running, the National Training Wage has been implemented, the Australian Student Traineeship Foundation, NETTFORCE, and now we are looking at the launch of the Employment Services Regulatory Authority, with its contracted Case Management launch. And here, we are seeing another important innovation in the way the Australian labour market works, because we are now seeking - with the basis of case management - that close in, personalised attention and care which we are able to give people. We are able, in that context, to start to say "well, maybe we ought to be giving people a choice about who manages them", and try and encourage some competition into the system that manages them, so that there isn't just one monolith servicing them, though the monolith that has done its very best under strained conditions - that's the CES - but to open it out. Essentially, ESRA was an idea that Simon (Crean) and I dreamed up, and it came from the Austel model in telecommunications. And that is, that we had Austel running a market between Optus, Telecom and the resellers of telecommunications services. And so what we sought to do with Austel was to create a private market, but with the market tipped in favour of the duopolists in this country - which was Optus - and the resellers, away from the former monopolists, Telecom.

In the same way, the same concept is here with ESRA - that is, we will have a body sitting over this labour market seeking to create a proper market - in training management, in case management and opportunity, and in the labour market, and the delivery of labour market programs - in such a way that we will not simply see some monolith, and at the same time, involving private sector companies. And we heard Sue's contribution earlier from Drake - amongst others that will be here, like, of course, the Brotherhood of St Laurence and similar bodies - we will see them proliferate right across the country, and we will see these skills come up. We will see the skills base of case managers come up, we will be able then to see people moving between organisations, and we will develop - truly - an industry in this particular field. Another good thing about it is that there is one good thing about the Tories - they can always rip away at a labour market program, but it is very hard to start tearing away at these things, once they start being built up. One of the things you have always got to do when you think about social reform in Australia is to make it Tory-proof - you have always got to Tory-proof them. It's not just do them, but you have got to hermetically seal them so they can't get their nasty little right-wing fingernails under them and tear them away. And this is another thing that I think matters in this - that is, that we can actually not simply develop it, but we can, in the doing of it, get a lot of acceptance for it.

I think one of the things that Simon (Crean) and I would like to see happen here - is that as we see this system continuing to sophisticate itself - that the case managers themselves can start to create their own labour market programs. And that we might be able to relate to organisations and case managers in a way where we fund those, built in a way which is wholly different to the way we do it today. And that is one of the things that one

would hope to see come - a much more flexible, efficient and effective labour market program. Now, I was delighted when Joan told me that we have already got 271 private bodies accredited - I think contracted is probably the right term - private and community organisations. Two hundred and seventy one, who between them will help 100,000 job seekers. A significant number of these accredited contracted case managers specialise in services to clients with particular needs - such as youth, people with disabilities, mature-aged unemployed people, Aboriginal and Torres Strait Islander people, people of non-English speaking backgrounds, and ex-offenders etc. And I think that we are talking now already about 600 outlets around the country. So, already we are starting to see the thing blossom - and as you know, the fact that Joan is also on NETTFORCE means we can make that linkage to the companies and to the industrial sectors. Because I think one of the great possibilities in case management in Australia is that we actually get sectors like the metals industry - and the metal industry employers with the metal industry unions - talking about taking up case management themselves, so that when some firm in that industry requires somebody, there is a much easier matching process, and that there is, if you like, people tending to gravitate towards it for jobs in that particular industry. We start to get some segmentation in the industry. I think the notion is of a training company, and I think we are seeing this in a sort of NETTFORCE concept arising there. So, I think that is going to be an important change too. So, the whole case management notion - providing private sector as well as government involvement - needs to be applauded and further promoted.

Can I just say a few words here about the CES - much maligned, but it has done a terrific job over the years, under difficult circumstances, often with a system - a weight - of unemployment which it was never really designed to manage. But, at the same time, managed it well, and now referring people to private case managers. It's a cultural change there, and I know that we in the Government are very proud of the changes which have been taking place in the CES in its capacities, and let me just take this opportunity to record our appreciation of that organisation.

I would like to also take the chance while I am here of just complimenting Simon on the job he has done with *Working Nation* - it has been a mighty job - a mighty job. It is really the hard tack of public policy - it's one thing announcing it, designing it and announcing it and getting it out, it's another thing making it work. Putting all the bits together, seeing that they fit logically, trying to get their efficiencies up, get them moving together - it's a tremendous task, and I have got many reasons to feel proud of this Cabinet, and proud of the Government, but none more so than *Working Nation*, and the job that Simon has been able to do with all of you who are involved with these programs. I mean, it's a great tribute to the sort of system of government and the society we have that we can take something like this on, and get it up quickly and get it running effectively - you can just imagine the sort of debate you would have in the United States with a program like this, well, you wouldn't have a program like this in the United

States, or in other parts of the world. And I do hope that what we have done here in *Working Nation* is going to be a bit of a trail-blazer in the OECD countries as something better in terms of how the long-term unemployed can be brought into the labour market, and to have their share of the nations bounty, their share of the opportunities, their share of the joy, their share of the happiness, because they are entitled to it as much as any of the rest of us are.

So, could I perhaps conclude by thanking Joan sincerely - for taking the job. She is a believer in community organisations - you have got to say that for her. And this is right up her alley, this one, because this is community action at work in the very best sense of that phrase. That is, going out there, and getting these linkages to community organisations in the welfare sector, and other community and private organisations, and getting that mix - I think Joan's experience in government, and her own experience in community activity, almost uniquely places her with ESRA to see it really come good. And so I thank her most sincerely for that. I would like to finalise by expressing my appreciation to everybody who has enthusiastically taken *Working Nation* up - who have seen it as an opportunity, who have been of good spirit and good heart, and who have got in to see what they can do, and many of those organisations are represented here today, and many people who have done that are here today - they are too numerous to thank, but I sincerely thank you all, because Governments can do some things, but without you, they don't happen. Particularly in this area, and I think the fact that you have embraced these programs holds out such great promise to people who are disadvantaged and unemployed people - we have heard from a couple of them today, and you can just see this whole question about one's place in society, one's esteem for oneself, how important it is to advance to a job, and to make one's way in life. That can only come when one loses that esteem through being rejected by society - or seemingly - by being unemployed for a long period of time, or unemployed at all, indeed, and then to be supported - I think these are things which mean that people can rise and their esteem can rise, and their whole sense of themselves can change and they can soon become much more effective....take a much more effective place in our country and our society. The main thing is, with all these things, as I said earlier - good societies can do more than one thing at a time, and good governments can do more than one thing at a time - we can attend to the Budget deficit, and the Current Account Deficit, while at the same time we look after the unemployed. And not only is it something we can do, it is something we should do. And we should always reject the doom-sayers who, in the end, have basically a caraway seed for a heart - there is a very small thing ticking in the chest, which, really, is all about being - essentially - when you get down to it all, when you rub all the phrasing and all the polish of it, it's just a bit of mean-spiritedness. We are all, I hope, much bigger than that. Thank you indeed.

ends.