



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER THE HON P J KEATING MP
ADDRESS TO AN EMPLOYER BREAKFAST, CANTERBURY-
BANKSTOWN RUGBY LEAGUE FOOTBALL CLUB, BELMORE, SYDNEY,
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Thanks very much Peter (Moore), I am delighted to be here with my fellow patron Kevin Stewart and my parliamentary colleagues Leo McLeay and Daryl Melham and Janice Crosio and with so many other people who are dedicated to this task, those associated with Canterbury-Bankstown Rugby League Football Club, Brendan Priest (Deputy Secretary of DEET) who is with us today, Dave (Rowland) and Shelly (Taylor-Smith) who have just spoken and ladies and gentlemen. I am delighted to be here with Peter and George (Paciullo) as Chairs of the Southern Sydney and South West Sydney Area Consultative Committees to be on this occasion asking some of you to be part of this very substantial endeavour which we are all undertaking.

To see what we are doing in some sort of context let me just paint a little bit of scenery for you and say that 10 years ago only three young people in 10 completed secondary school. Whatever hopes we have for this being a clever country or a intelligent country or what have you, obviously if seven out of 10 are not reaching secondary school standard, they can't obviously reach tertiary standard and other vocational standards. In that 10 years we have had a great revolution in Australian education. This year eight in 10 will have completed secondary school. So, we have gone from three in 10 to eight in 10. Ten years ago 40 per cent of young people then streamed themselves into university and we still have 40 per cent streaming themselves through, but you can imagine the increase in numbers required to stream 40 per cent of three in to compared to 40 per cent of eight in 10.

As a consequence, we have now added 60 per cent of places, more in fact in 1983-84 we were at 360,000 university places and we are now at 610,000 places. It has been a huge addition to the stock. So, we have got 40 per cent being trained in a tertiary way, but then the problem is with the other 60 per cent and a lot of that 60 per cent was simply cascading into nothing. Dave said earlier, when you find that people turn up with a saw and a

hammer and say they are carpenters, they were - many people - broadly untrained. As a country we are not going to make the grade with low paid jobs, with low paid labour. This is a relatively low labour cost country, but we are going to make it doing innovative and clever things. We are going to make it adding value, producing innovative products, getting into those export markets. It is not our job to be competing with mass low labour cost countries and yet that is the way we were set up in the post-war years, in the days of tariffs, the days of protection, the days of neglect of the education system.

We in the Labor Party think one thing. That education is the great bridger, the great bridging thing through the social stratas, the great bridge to opportunity, the great liberator. It gives people a chance to break into all sorts of fields and all sorts of incomes and all sorts of opportunities and, of course, all sorts of excitement in their lives. So, education and training has been the focus of much of what we have been trying to do. Not long after I became Prime Minister we said in the *One Nation* statement, we put \$1 billion into TAFE and set up a National Training Authority for the first time ever - the Australian National Training Authority, ANTA - to run a national TAFE system. We have now put \$1.25 billion into TAFE. What are trying to do is to build vocational education beside the universities so when that 60 per cent cascade out of school - Year 12 - but don't go to university, they cascade into a competent vocational education system and they get certificates and they get accreditation across the country and we get the standing of TAFE up.

That is what is basically on. But, you will still find quite a lot of young people, particularly in the past, who have left school at 15 or 16 and are untrained and have never had the opportunities to stay on to Year 12 or those who are on the way to staying on, but find they can't make it and drop out. In *Working Nation* which we did in 1994, what we have sought to do there is to pick up those people who are untrained or who are part of the long term unemployed. It is our aim in *Working Nation* not to let any young person under 18 drop out of the system. If they drop out, we either get them back in school or back into training with a job subsidy so that at least we get them back in the system and we don't let them drift by the wayside.

So, the various programs we are building up are focussed on those things, such as the Youth Training Initiative which comes to mind and where we are now starting, as Dave suggested earlier, to take young people in Years 11 and 12 and give them some out of school, on the job work experience and to give them some training in Years 11 and 12 for TAFE courses so that they pick up credits while at school for the TAFE course that they will then undertake. In other words, we start streaming them before they leave school. And so we overcome that problem that Dave Rowland mentioned, that they leave school and find they haven't got a job and they don't know what to do. In other words, we start focussing them while they are in Years 11 and 12.

That is the sort of broader educational and training picture. The labour market is a different thing again. The labour market is very much like a pool. You have people coming into it, staying in it for a while and then coming out of it into a job. But, the time in the pool very much reflects the state of the

labour market and those who are untrained find that they are in the pool and they gradually drop out of sight and people are no longer interested in them. Yet the demands of the labour market are not so great as to be able to take them from the depths of the pool, they will just take up the ones who have come in at the beginning. So, the school leavers each year, women joining the labour market, migrants, they come into the pool and very quickly go out and get a job. But, the ones that have been in there longer in societies like Australia are, in the main, forgotten because there is not enough sucking power, if you like, in the labour market to take the new entrants plus the long term unemployed.

What *Working Nation* is principally about, through the Job Compact, is to make sure that the ones who go out, that there is a high proportion of the long term unemployed in there. In other words, it is not just the ones who have been unemployed two or three weeks who come in and then go out, but the ones who have been long term unemployed, 18 months or two years or so. This is where we came up with this novel idea called the Job Compact. We actually case manage people, so we have one person who gets to know 25 or 30 people, get to know what they did at school, what their personality is like, what their family situation is like, what accredited training they have had, what work experience they have had and what they might do. And, we give that case manager also a Jobstart subsidy in the main and then we say to that person we will case manage you and find you a job and we will subsidise that job with your employer, but you must take the job, you cannot knock the job back. In other words, there is a compact here that operates.

Well, the success of the program to date is that we have reduced long term unemployment by 25 per cent in the last 18 months and that is an almighty change in a country like this because in the 1980s when we had massive employment growth, I think, the long term unemployed went down by something like eight or nine per cent over the whole period. Because once you are out, you stay out. The system just takes the new people up and that is the end of it. Now, part of the case management approach, developing a private market in case management and employment services which we are doing and finding jobs which we then subsidise, we are also trying to find traineeships and Jobstart places for longer term unemployed people and particularly for young people.

This is where the Area Consultative Committees come in and where business comes in. We can't do this without the business community. This can only be done if the society as the country itself decides that it is not acceptable to have a stock of people - young or not so young - sitting around the labour market not in jobs, mouldering away, all their aspirations being dashed, their self esteem being dashed and this is a great problem. When people have gone for jobs and been knocked back, gone again and been knocked back, gone again and been knocked back, they think there is something wrong with them. Their esteem goes down and after a while they don't apply, they are psychologically out of it and that is why the work experience is so important. Again, the points you can see with those three young men who came on the stage earlier. Their experience is up and their confidence is up and they

have done some things. I think Dave Rowland mentioned the high retention rates. It is not when we stop the subsidy, the job stops. When we stop the subsidy, most stay in work. We have a very high success rate with the people who stay in work.

What I think this breakfast is about, the reason we have got the Bullfrog on the job here and others is basically to bring people in and people have got experience. People like George who have been in public life and now in local government and to go out to business and say 'look, we need you to take an interest in this' and it is not just you doing something, but you will get something in return. You will get a better trained person, you will get tremendous loyalty from them and you will end up with a better community around you, you will end up with a more fully employed community and a happier one. I think the story that Dave Rowland mentioned also of training on the job, the Government has also through our training policy, not simply trying to build a vocational educational system in TAFE, but we also want a private training market. So, when there is a big job or a big business and employers are short of skills we will subsidise the building of a specialist training facility in that plant or on that site and people will go through it. I think Dave said 170 people have been through his.

We are doing this all around the country so we don't simply want a public sector monolith in TAFE, but we also want a private training market out there to train people on the job. So, let's say you are a small employer, it is the TAFE training that will matter or maybe some training on the job. If you are a larger employer, we could help you with a training facility and through DEET - the Department of Employment, Education and Training - and the CES we are able to pull people up under the case management system. If they have been unemployed 12 months or more we know about them, we know what they can do, we can give them a training place and the job start with you and we can give you the subsidy to get them up there and you will find there is a whole new source of employment open to you that wasn't opened to you in the past.

In the end, we will be a better society, a happier one and a fairer one. Shelly talked about being Aussies and it is great to be an Aussie, well one of the great things about being an Aussie is the egalitarian sense of the country - the sense of fairness and equality and fair play - and it is a very equal country but will become less equal if a slice of the community are not in work. The way you keep that social cohesion is to give people a job opportunity and to give them a chance and to bring them up and to care about them.

We set up *Working Nation* to say we care. We won't let people fall out of the system and stay at the bottom of that pool of unemployed people forgotten, but rather we will make sure they get their chance to get up into the stream again and back into the labour market. The difference will be a lot of harder hearted societies where they say, as the Republicans now say in the United States if you haven't got a job bad luck, bad luck, you are not going to get any unemployment benefits perpetually either. Or in a lot of other countries in Western Europe, well, they'll deal with young people on the streets, they'll

deal with crime, they'll deal with all the attendant problems which come from that sort of approach, but in this country we have made a different choice. In 1993 when we were returned to office we were returned on a program of getting the country back to work. We have 650,000 job growth since the election 1993. Our target was 500,000, we reached that in two years. Last year we had the biggest fall in unemployment in our history and even though we have got unemployment around 8.5 per cent, it is still too high. With *Working Nation* we have got a chance of getting it down. In the 1980s when we had that huge employment growth, we could never get below 6.5 per cent and the reason was we never had a *Working Nation* program there and we never had people like you there to actually tap into it and go through the veneer into those long term unemployed people. So, when the labour market was really running flat that we were starting to complement it by skills formation through migration. We were not getting into the long term unemployed. That is what *Working Nation* now allows us to do and, of course, the whole education system is producing a product which we didn't have in the 1980s.

So, altogether whether it be the Government's employment programs or just the raw employment growth from the growth in the economy and that is the central thing, that raw demand for employment. But then who gets the jobs? And we know that they are going to go to school leavers, to women, to migrants, but they must also go to the longer term unemployed and that is what this breakfast is about. It is about going out there, helping those people. It is about asking you people in business to think about it, not to do it out of some sense of ultrulsm, but in the sense that it is more efficient, we will have a more efficient labour market if those under utilised resources are not under utilised and you will end up with a better workforce yourself and you will live in a better society from the one you would otherwise live in.

That is what we are doing and that is why we are here. So, let me again, take the chance of saying thank you to George and Peter, to the Area Chairs, and to congratulate you again on that target of getting over 3000 training jobs by Christmas. We are already at 3400 as George told us. And that the training pays program gives us the opportunity to do those things and to reach out in a real way to those people who are feeling the despair and hopelessness of unemployment. When, in fact, we can do the compassionate and the efficient thing together, by picking them up, taking an interest in them, giving them a job and getting a better employee and a better business. So, that is what it is all about and I particularly thank our sports men and women for joining us today, Shelly and our own Terry Lamb and all of the other people who have come along, Mal (Meringa) who is with us now, for coming today because you people are important models for people in their hope because when they are unemployed they look at you and they see, through your own dedication and energy, what you can do for yourself and it is always a reminder. So, to see you in this context is very nice indeed. Anyway, thank you all very much for coming.

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There is no reason why these strong employment rates can't stay up and if they stay up we have got to pull the longterm unemployed into it. We just can't take the new entrants - the school leavers, women joining the workforce, or rejoining it, or migrants - and just let the longterm unemployed people languish in the longterm pool of unemployment.

So that is why your Area Consultative Committees matter. That is why the link to business matters because if we can't get you interested and to know that you do end up as this chap this morning was telling us about his construction company that is getting a good class of trained people coming from longterm unemployed people. He is training them himself and then he knows that he has got tremendous loyalty from them in the firm and they are going on.

Now I know in these sorts of ventures people say oh well, you know, there is a bit altruism required here. But it is not altruism. There is a bit of good-spiritedness about it. There is a bit of compassion about it. But there is also a lot of efficiency about it and good sense because, obviously, we will never make the sort of growth rates we can and enjoy the sort of incomes we expect if a large part of the country's resources are either under employed, or unemployed.

So we are doing something for all of us if we get the longterm unemployed back to work and we are doing something particularly for them and we are making our society more cohesive.

Now the other day, my Tory opponents jumped all over me for talking about the rates of deaths in California amongst young people. And I read this chilling statistic in, I think it was, Time magazine saying that in California more young people die of gun shot wounds than die of car accidents and that is pretty frightening. The main reason for that is because under these crazy American laws, they let people carry guns around. But it is also part of the social malaise of unemployment and disillusionment and rejection. It is all out there and we don't want to see any of that cancer coming into the Australian society. I mean some of that malaise has been there with the longterm unemployed and as a society we have got to get in and do something about it.

Now Working Nation is the most valiant attempt ever been made in this country to deal with it and, as far as we know, while other countries - similar countries - are into labour market programs, none of them have quite got the innovation of Working Nation, we don't think, and we think we are a real show of building on that 25 per cent reduction in longterm unemployment since it was introduced and getting that down and making a very big difference into the way Australia functions and the fact that people can share in it.

Now the Government has taken a very big interest in regional Australia because now in some of the regions they are growing much faster than the capital cities. A lot of the employment opportunities are in some of the

regions. We are trying to get regional leadership, we are trying to give regions focus and, at the same time, we are trying, in that, to get a focus on longterm unemployment which is prone to be more difficult in the regions than in the cities. And we are very pleased that so many of you are from the regions of Australia and you have seen yourself committed and interested enough to be in it with us, to do something about it. Because the whole thing about One Nation is that we think of ourselves as one nation when we are all pulling together and it is not just programs for the capital cities, but for the provincial cities and the towns and the regions around the country as well.

So I would like to take this opportunity of thanking you for your interest in work and training and I think we all know that when we give these people training and work experience, even with a job subsidy, when the job subsidy finishes the retention rates we are getting are so encouraging that people are staying in the jobs and going on.

So we may well be able to fill those jobs which the labour market is requiring us to fill with employment growth. The main thing is we fill them by taking a good share of the longterm unemployed up into them as well. So we have some real fairness operating in the system and we have the sort of country that we have always believed Australia should be.

Anyway thank you very much for coming along today. Simon and I are delighted with the progress of it. Simon has done a great job with Working Nation, as Minister. He has got a great Secretary in Derek Volker and a great team in DEET. We are absolutely delighted with it and pleased as punch you can be involved with us.

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