



PRIME MINISTER

4 December 1996

**TRANSCRIPT OF THE PRIME MINISTER
THE HON. JOHN HOWARD MP
SPEECH TO AREA CONSULTATIVE COMMITTEE MEMBERS
PARLIAMENT HOUSE, CANBERRA**

E & OE.....

Thank you very much Amanda. To Mr Holloway, to my other Parliamentary colleagues, ladies and gentlemen. I am grateful for the opportunity to just say a few words to you of a general character about some of the Government's goals in the employment area, with particular reference to the great importance we attach to policies that affect regional and rural areas of Australia. I understand that Senator Vanstone would have already announced a number of policy directions in relation to the role of the Area Consultative Committees and I hope that those announcements have been greeted in a positive fashion because we do see a very important role for your committees in implementing the new directions the Government has adopted in relation to labour market programs.

All of us recognise the continued importance of trying to find better solutions to the challenge of high unemployment in Australia. It still remains, and I don't mind repeating it because it's a fact, it still remains the biggest social and economic challenge that Australia has. The fact that we have a youth unemployment rate of 27% throughout the nation rising to much higher levels in certain regional areas and certain outer metropolitan areas of the big cities represents a very big challenge to the Government and represents a very big challenge to the community. There will always be debate about the best way of responding to that difficulty and that is the stuff of the whole political process. We have chosen to make a number of policy changes from the direction adopted by the previous Government. We are trying to put a great deal more emphasis on the role of small business in employing people. We have recently secured the passage of our Workplace Relations Bill through the Senate. We believe over time, and I have to stress over time, that that will produce a more flexible labour market that will increase employment opportunities.

Now people will debate that and I respect that there is a political divide in the community on that but the Parliament has finally resolved the issue in favour of a piece of legislation which, although it was not precisely in the original form presented by the

Government, it did incorporate a lot of amendments put forward by the Australian Democrats and some amendments I might stress that were picked up after discussion between the Minister and representatives of the trade union movement because not all of what was put to us by the trade union movement on that piece of legislation was regarded as unacceptable. Quite a number of the amendments that were put forward by the trade union movement were accepted but it has now been resolved and it's the responsibility of all of us to try and make the new system work and I believe if it is allowed to work it will produce better outcomes at the workplace level. It will importantly produce more flexibility. It will importantly preserve the present margin under the system for younger employees through the preservation of the junior wage structure which was marked down for abolition on the first of July next year and if that abolition had proceeded in the Government's judgement, the jobs of a lot of young people around Australia would have been put at risk. That is a very, very important element in the Government's approach and I think over time as it does work, it will be of very, very great value.

I have recently established an employment committee of Federal Cabinet which I will chair and which includes all of the senior Ministers, including Senator Vanstone and Mr Kemp who are involved with employment and labour market issues, and the whole purpose of that committee was to focus the attention of the Government on a day to day basis, if you like on the problem of employment and the challenges that remained in the community to reduce unemployment. Once again, I don't believe for a moment that there are some magical, wand-waved solutions but if you can have a proper policy focus on it as the most important priority of all, it will make a significant difference.

We believe that there are great employment benefits for regional Australia if the Natural Heritage Trust which of course is linked to our proposal to sell one third of Telstra can be realised. There will be a capital investment of a billion dollars over a period of time, the largest investment ever from a capital side in the environmental future of Australia and if we can get that up and running and I guess we will know in the next few days, I don't know as I speak whether the legislation will pass through the Senate. I mean, it's the delicious vagaries of Australia's political system and I suppose it is a reminder that all of us are ultimately controlled by the collective will of the Australian people and we really don't want it otherwise although it does sort of keep you at the edge of your seat, and if you're a Member of the House of Representatives you keep a weather eye on what your colleagues are doing in the Senate, but it's all a delightful part of the political process so we will know I hope in a few days but I certainly don't know as I speak, but that billion dollar investment will have very important employment consequences for regional Australia, in particular, more so for regional Australia than the cities, and I do hope very much that we can get it up and running.

But the most important message that I would like to leave with you ladies and gentlemen is that community involvement and community consultation and the process of the Government listening to what the community says is what the Area Consultative Committees are all about and particularly as Chairmen of the various Area Consultative Committees around Australia is what your role is all about. I have often said that political leadership in this country consists on some occasions of standing in the middle of the road and daring people to run you over. On other occasions I think

political leadership does consist in sitting down and listening to people before you've made up your mind what you're going to do. The trick of course is to choose the issues that are appropriate for the first treatment and also the issues that are appropriate for the second treatment. Sometimes when you adopt the first approach you're told that you don't listen and sometimes when you adopt the second approach you are told you don't lead so the trick of course is to get the right mix. Now very much the contribution that you can make to some of the new policy directions that the Minister has outlined and others will outline is very much in the second category.

I don't pretend for a moment that the new labour market approach can work effectively without the co-operation of the community and that involves the co-operation of educators, of trainers, of union leaders, of people involved in small and large business. We all have a common commitment, whatever our political beliefs may be in better outcomes, particularly for young people and in lower levels of unemployment because if governments and communities can't solve those sort of problems then faith in the whole system is undermined and we don't pretend that we can sort of send directions from a federal government that will solve all those problems without your involvement. I want you to see the new initiatives and the new approach and I know for some of you it's very different. Some of you, you may not feel initially comfortable with the new approach but I do want you to see them as a bona fide attempt on the part of the Government, albeit in a somewhat different fashion to tackle problems which other governments have tried with varying degrees of success and I am not here to bag my predecessors. I am here to promote the different approach that the new Government is adopting and I hope you will accept from me, and I know I speak for Senator Vanstone and for the other Ministers who are involved accept from me that we do have a very strong commitment to involving the community, a very strong commitment to consultation and to listening. We think the new system will work better. We do think the more market-oriented approach to job placement, the new competitive approach will open up fresh opportunities for people that are not now available and we would like you to give the system your co-operation. We would like you to give the system your input and your support and in conjunction with some of the other measures that I have alluded to today, I do hope that it will be seen and supported as a very positive contribution to tackling what remains Australia's biggest social and economic challenge.

I again thank you very warmly for coming. I hope you find today's meeting productive and I hope you find the announcements that the Minister has made, and others will be made later in the meeting, announcements that you can support and enthusiastically participate in implementing.