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**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
AM PROGRAMME WITH FRAN KELLY**

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KELLY:

Prime Minister, good morning.

PRIME MINISTER:

Good morning.

KELLY:

Prime Minister, yesterday you announced the bare outline of a 'work for the dole' scheme and in so doing successfully managed to knock the headlines, turn the headlines away from the messy Bob Woods' affair that dominated last week, can you tell us now any more about this proposal for the young unemployed?

PRIME MINISTER:

Well, can I just say on that question of knocking things off the front pages, I thought the main challenge of governments was job generation, small business and boosting the economy. So, I mean, let it not be thought for a moment that a Government scheme to tackle youth unemployment is a diversion from the main issues. I thought it was the main issue.

KELLY:

No, I'm just making the point, as you said this morning, that it's there on the headlines.

PRIME MINISTER:

Well, I think the context in which this...this was no sudden announcement. We've been looking at this for a number of weeks. We still have more work to do on it. It will be piloted in about 30 or so rural and regional areas of very high unemployment. We will try a mixture of voluntary and compulsory schemes. We'll be inviting various community organisations to put forward proposals for approval by the Government. Award rates will be payable and that means in effect that people will only have to work in most cases 15 or 20 hours a week. They will still have time left to look for long term employment. It is not scab labour. It is not slave labour. It is not chain gang labour because people are being paid at award rates. It will help, along with a number of other things, to try and break the cycle of despondency which is my biggest worry about the 100,000 young people who can't get work, of which 30,000 are out of work for more than six months. Can I stress Fran that it's not the only thing that we are doing. It's one of a number of things we're doing. We've successfully launched the Green Corps. I understand, for example, that we advertised for something like 230 place and within a week or 10 days we had 1100 responses for those 230 places. And we still haven't launched the first, formally launched, the first Green Corps project. So it's one of a number of things I'll be announcing later this month, some more initiatives to reduce red tape for small business. And we've launched the new and modern training and apprenticeship scheme. I want the 'work for the dole' scheme to be one of the total, one element of the total armory of policies that the Government has in order to tackle the problem of youth unemployment.

KELLY:

Well just a little bit more of the details - you've said people will work for award wages. I think the under 20s dole is around \$90 a week, I think...

PRIME MINISTER:

That's right.

KELLY:

...a little bit less if you're 17.

PRIME MINISTER:

And there are junior rates though. So when I talk about awards I mean the rate that is prescribed in the case of people under 21 the relevant junior rate in the award which is lower, of course, than the adult rate.

KELLY:

And some people...it will be compulsory for some.

PRIME MINISTER:

Yes, it will.

KELLY:

So if it's compulsory, if it doesn't work out for a young person, what happens to their benefits?

PRIME MINISTER:

Well, there are certain...obviously, when you say, doesn't work out, I mean if a person refuses to work and persists with that refusal over a long period of time, well that person could run the risk of losing their dole in the same way that if a person doesn't satisfy the work test under the existing dole over a long period of time that person could lose their dole. It will be no more severe or less severe in its application than the application of the existing work test. So let's say, I understand what you may be getting at, so let me just say at the outset, obviously if people stubbornly refuse to do anything in return for the dole then over a period of time they could run the risk of losing it. But it's not something that would happen immediately, but it would happen in a measured way in exactly the same way as it happens under the existing arrangement. I mean, I am quite unashamedly in favour of the principle of there being a community obligation for a person to work out at award rates the value of his or her dole. I don't think there's anything wrong in that providing it's based on the concept of an award rate and in that sense you are not in any way exploiting people. But the idea that a person can forever say, well, I expect a safety net to be provided and even though I can do so I refuse to do anything in return for it, I don't think that's unfair, I don't think it's harsh and I would imagine there'd be reasonable community support for it. I was very interested in the vox pop you played at the beginning of the programme. It indicated a fair amount of support for the concept and I'm encouraged about that.

KELLY:

Not all the support is...not all the comment though is positive. ACOSS has criticised the scheme as third rate. They say it's been tried and discounted under other names in the 70s and the 80s. Isn't it true that this kind of scheme does go against all the thinking in this area, all the research? Your own Department of Employment commissioned an 18 month study just recently that concluded that compulsory voluntarism doesn't work. Isn't this reinventing the wheel, if you like, a wheel that's been discarded?

PRIME MINISTER:

Well, that's completely wrong. To my knowledge a 'work for the dole' scheme of the type I have just described has never been tried in Australia before. It certainly wasn't tried by the Fraser Government and it definitely wasn't tried by the - just let me finish - by the Hawke and Keating governments. And as for whether you say it goes against

established advice, well, we still have 8.5% unemployment, we still have 100 000 young people out of work. Maybe some of the established advice is inadequate...

KELLY:

But wasn't the whole criticism of Labor....

PRIME MINISTER:

Fran please let me finish. You asked quite a long question. And I think it is very important to occasionally in these areas challenge the conventional wisdom. I am not surprised that ACOSS would attack it although I notice that some of the individual member bodies have been identified in the papers this morning as supporting it. I'm not surprised that the Labor Party and the unions and the Democrats oppose it, but I think out in the community people see the fairness of it and people want this government to try a number of things. They know youth unemployment is a difficult challenge. They know we were left with a huge problem; they know the Labor Party had thirteen and a half years and left us with 8.5% unemployment and pushed it to 11% during its period in office, so they understand that we can't fix it overnight, but what they do expect and require of us is that we try different stratagems and this is one of those stratagems. It's never been tried before in the way I've outlined it in Australia and therefore we are not reinventing the wheel, we are in fact trying something different.

KELLY:

Well, when you came to power you criticised Labor for their make work programmes. You said Labor wasn't creating real jobs, you were going to change that, you would create real jobs. These aren't real jobs we're talking about here are they and more than that they don't have necessarily real training attached to them.

PRIME MINISTER:

Well, Fran, there are other things that we are doing. I mean, if this were the only thing that we were doing then that criticism would be legitimate, but we are trying to give, we are giving incentives to small business. I mean, small business still remains the hope of the side to reduce unemployment. We've cut their interest rates, we've reduced their capital gains tax, we are reducing their paper burden, we've got rid of the unfair dismissal law, we've given them new pro-small business industrial relations laws, we are doing everything we humanly can to improve the climate for small business. We've introduced a new apprenticeship and training scheme that will more effectively marry the desires of young people for apprenticeships and the available apprenticeships in the business sector. We've introduced a Green Corps which the early signs are is going to be very successful, as well, we are going to pilot and if it works effectively, introduce on a permanent basis a work for the dole scheme. Now, if we were only doing "work for the dole" and nothing else then what you say would be a legitimate criticism, but we are doing a number of things. We are constantly attacking this issue on every front. It's a very important issue, it's going to be very hard to solve in the short term and the Employment Committee has been working very hard and

there are other issues, there are other policies also in the pipeline, other initiatives of the Government that I'll be announcing over the coming months in this area, but this is a very important part of the initiative.

KELLY:

On another issue Prime Minister, your first week back in parliament was dominated by the troubles of a Parliamentary Secretary, Senator Bob Woods. Should you have asked Senator Woods to step down from the front bench at least while the police investigation was going on?

PRIME MINISTER:

No.

KELLY:

Why not?

PRIME MINISTER:

Because the normal thing is that you don't step down just on the basis of an allegation. You do if a charge is made and in any event it would have been quite wrong of me to have drawn the police investigation to Senator Woods' attention.

KELLY:

When did Senator Woods first become aware of the investigation?

PRIME MINISTER:

Well you'd have to cross examine him, but he told me that he didn't know anything about it until his office was raided. That's what he told me, but if in fact that is the case and I have no reason to doubt that it's the case, but of course it is a matter for him, then it would have been grossly improper of me, and it would have left me open to an accusation of interfering with a police inquiry to have alerted him to the complaint.

KELLY:

Did you ask the Federal police or ask for advice whether it would have been appropriate?

PRIME MINISTER:

No. Look, the longstanding procedure with this is that you are advised of it but you stay out of it. I mean, it is a police matter. I treated Senator Woods in the same way as any other citizen. He didn't get any preferment. On the other hand, he does not deserve any pre-emptive judgments to be made. He is entitled like any other citizen to

a presumption of innocence. I behaved absolutely correctly. It may have been politically easier if I had done other things, but I didn't. I behaved absolutely correctly and I have no apology at all to make for my handling of it.

KELLY:

We now know that another Coalition MP, Michael Cobb, was being investigated by the Federal Police last year. Have you been told of any other Coalition MPs being investigated by the Federal Police for allegations of....

PRIME MINISTER:

Well you shouldn't get too excited about the answer I'm about to give but the usual thing is that you don't comment on those matters.

KELLY:

You were informed by the Attorney General in September last year that Senator Woods was under investigation by the Federal Police...

PRIME MINISTER:

That a complaint had been made.

KELLY:

Yes.

PRIME MINISTER:

Well, that's an important difference.

KELLY:

That a...

PRIME MINISTER:

That a complaint had been made.

KELLY:

All right. I was under the impression that in November last year Senator Woods was given extra Ministerial responsibilities when he was put in charge of the \$2 billion pharmaceutical benefits scheme. Was that wise given that he had had a complaint made against him in terms of handling of moneys?

PRIME MINISTER:

Well, they weren't extra responsibilities in the sense that they were outside the ambit of the area in which he was already assisting the Health Minister and you know, you are either in or out and I would have thought it was perfectly normal that if somebody continues until good grounds exist for them not to continue, then they ought to do what a person continuing that job would normally be expected to do.

KELLY:

So that didn't trouble you when you were made aware?

PRIME MINISTER:

No, no.

KELLY:

Have you now initiated any action by your department to make sure that all members of your Executive Council knowingly or unknowingly everything is in order, all their books are in order...

PRIME MINISTER:

Well what do you mean by unknowingly?

KELLY:

Well, any of your MPs may have unknowingly made a mistake that makes...

PRIME MINISTER:

Well I think I would have, look Fran, I am not going to go into the details of private discussions I might have with my colleagues about this. Suffice it to say that I expect people to be careful. I expect them to be scrupulously honest, I expect them to be completely above board. There is no evidence yet, there is no evidence yet that Bob Woods wasn't above board with his travel allowance. I mean, the easy way in which we are already slipping into accepting that somebody is guilty of something, I reject. I mean, the man, whatever has been said over the last week, the man is entitled to a presumption of innocence and I demand, I expect that he get that presumption like any other citizen.

KELLY:

Just finally and briefly, there is a suggestion that Cabinet will today reconsider the cuts to legal aid funding. In your view, is there any scope for any of those funds cut in the last budget to be reinstated?

PRIME MINISTER:

Well I don't speculate about what is going to be on the Cabinet agenda but the principle behind those cuts is a very fair and sustainable one and that is, we pay legal aid for the operation of Commonwealth law. We expect the states to pay at the state law. Now that is the basis upon which our decision was taken. I think that is an absolutely defensible and correct basis and the quite disgraceful way in which many of the states have tried emotionally to use individual cases involving the operation not of Commonwealth law but of the operation of state law to put pressure on the Attorney General and to put pressure on the Government is something that ought to be exposed. Now I am not going to pre-empt or talk about what is discussed at a Cabinet meeting but let me defend very strongly the principle that it is fair for the Commonwealth to be expected to pay for legal aid in relation to the operation of Commonwealth law and it is fair of us to say to the states, you look after legal aid when it comes to state law, and if you apply that principle, you will see that the decisions that were announced in the budget were very fair indeed.

KELLY:

Prime Minister, thank you.

PRIME MINISTER:

It's a pleasure.

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