



PRIME MINISTER

11 March 1997

**TRANSCRIPT OF THE PRIME MINISTER
THE HON. JOHN HOWARD MP
DOORSTOP INTERVIEW, CARDINIA SHIRE COUNCIL, PAKENHAM
VICTORIA**

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Ladies and gentlemen, at this, the first of our Cabinet meetings in outer metropolitan or regional Australia, we've taken some very important decisions about the shape of the work for the dole scheme. I can announce that the legislation to change the Social Security Act to enable the Department of Social Security to require people to do work in return for the dole, that that legislation will be introduced into Federal Parliament on 18th March. We will be seeking a speedy passage of the legislation. It is in the national interest that the legislation goes through quickly. We want the pilot schemes beginning in September of this year. We plan to have 10 000 young Australians initially between the ages of 18 and 24 involved in work for the dole schemes, the pilot schemes over a period of 12 months.

I can inform you that we have already had great expressions of interest. Dr Kemp and his staff have had presentations in committee rooms in Parliament House from community groups of proposed work for the dole schemes. So the legislation will be introduced when Parliament goes back next week on 18th March and we will be asking the Parliament to pass that legislation this session and it's in the national interest that it go through. The public supports the work for the dole proposal. We will have ten thousand people involved in the pilot. It's a fair scheme. They will be paid award rates of pay strictly in accordance with the principle I enunciated a few weeks ago. This will be a valuable supplement to the armory of policies the Government has developed to deal with the problem of youth unemployment.

Ladies and gentlemen, Dr Kemp, who is the expert on the work for the dole scheme and of course has Ministerial responsibility is with me and he will help me if the questions you ask me are too complicated but we had a very important discussion. The details are very well advanced and I am personally very anxious and all members of the Government are very anxious to have it up and running as soon as possible and we hope the Parliament will pass the legislation, no mucking around, no messing about, sending it to committees. Let it go through this session. A very simple change to the Social Security Act so that if people are required to do something in return for the dole they can be. The law precludes that at the present time. We've obviously got to change that in order to give us the option of having an element of compulsion so far as the work for the dole scheme is concerned.

JRNLSST:

Are there any capital injections coming to this local community to carry out the projects?

PRIME MINISTER:

No, that's not intended. We estimate that the total cost of the scheme will be about \$15 million and we've already had a large number of proposals put forward involving that but there is no capital injection associated with the scheme but of course proposals may relate to other schemes in some way which involve the injection of funds.

JRNLSST:

Can you tell us how many hours the people would be required to work and some more of the details of the scheme?

PRIME MINISTER:

On average, two days of six hours a day. On average, two days at six hours a day.

JRNLSST:

And it would be compulsory?

PRIME MINISTER:

Well it will be compulsory in certain cases, yes. We've made it very clear that we are going to change the law to enable compulsion. Some of the schemes will be based upon purely voluntary participation. Others will be based upon a mixture of volunteers and some people being required. Others might be fully compulsory but I've made it clear from the outset that we always were reserving the right to require people to do it. Now in many cases that won't be necessary because I think local conditions and the attraction of the scheme and the value it will bring to the young people will be such that that will not be necessary. But I have never disguised the fact that we want to amend the law so that

people can be required to do something in return. I mean, this is based upon the principle of mutual obligation. Society has a mutual obligation built into its ethic. We look after people who need help and who can't get a job and in return it's not unreasonable to ask of those people who can't get a job that they do something in return for that help and provided that is on reasonable awards rates of pay, which it will be, and provided the schemes have a community base and they don't involve the replacement of private sector jobs, which they won't, that's an entirely sound principle, the principle of mutual obligation and it's a principle I will argue and defend in any circumstances anywhere in this country and I think it's a principle that the Australian community will very strongly support.

JRNLSST:

Can you envisage extending the programme beyond ten thousand young people?

PRIME MINISTER:

Well these are, the ten thousand is in the pilots and if it works very well, the answer is yes, we will extend it but it depends on how well it works. I have to stress that these are pilot schemes that we have in mind, about 50 - 70 pilot schemes focussing initially on areas, in areas that have the highest concentration of unemployed people. We will give priority for participation in the schemes, for people who have been out of work for more than 6 months and the question of whether we extend it will be governed very much by how the pilots go.

JRNLSST:

What about to older people?

PRIME MINISTER:

Well at this stage we're focussing on the 18 - 24 group.

JRNLSST:

How will you determine which of these projects are compulsory or which of them will be (inaudible)

PRIME MINISTER:

Well it would depend upon the character of the tender. We will be inviting people when they put forward projects to express a view about whether it should be compulsory or voluntary or a mixture and of course, the selection process, and we will be adopting a competitive approach. We will be inviting groups to compete against each other insofar as the proposals are concerned and that decision will be made according to the circumstances

of the proposal. The assessment made by the panel that makes the decision of the needs, the locality and the profile of the unemployed in that particular area.

JRNLS:

And Prime Minister would you expect these projects to have a trickle down effect on youth unemployment?

PRIME MINISTER:

Look I would expect that these projects will have a lot of benefits. They will give the young people involved a greater sense of self esteem. They will undoubtedly improve their work skills. They will fulfil the desire of the community to see a mutual obligation principle applied in relation to benefits in this area. But overall, I think they will help to break the cycle of despair and despondency and dependency that so many young people feel in relation to unemployment. That is why my overwhelming experience since this announcement was made has been one of great support from young people for the proposal.

JRNLS:

Over time you wouldn't expect to see an (inaudible) decline in youth unemployment..

PRIME MINISTER:

This is not designed to manipulate the unemployment figures. It is designed to help young people. It is designed to involve the community in challenging a great national problem. If it does have the trickle down effect that you describe, well that is an additional benefit but I assure you the purpose of the thing is not to manipulate the figures, it is to help the young people. And could I just note in passing, on the employment front that the ANZ Job Index today showed a further improvement and it's the third month in the last four that the ANZ Job Index has reacted in a very positive fashion and I gather a spokesman for the ANZ not noted for buoyant statements in this area has said the figures aren't too bad.

Thank you, I think we ought to go to lunch.

JRNLS:

The Business Council of Australia has joined South Australia and New South Wales in criticising as unconstitutional the 15% superannuation surcharge. Are you facing another half a billion dollar blowout in your budget deficit?

PRIME MINISTER:

No.

JRNLS:

But if the opinion from Rose QC which, as they have, indicates that this is unconstitutional, what are you going to do to get that ...

PRIME MINISTER:

I can tell you that all the advice we have is that the measure is quite constitutional and in any event I haven't had it suggested from any quarters up until now that the unconstitutionality relates other than to its application to certain state judges and certain state officials. Look, there's a very simple principle involved in this. We brought down a budget that shared the difficulty around and we are now hearing from state premiers that you should have a budget that is watered down by removing some imposts that reduce the concessionality of taxation for very high income earners in the community. I mean, what sort of Australian sense of fair play and justice is that? Are you having the Premiers saying that it's all right to knock the not so well off in the community but when you talk about imposing any kind of surcharge that reduces an already high rate of concessionality that we've got to stop that. I don't think they will seriously maintain it but can I just make it clear, we are not backing down on the superannuation surcharge. It's a fair measure, it's a good measure. It added to the balance and the social justice of the first Coalition budget and we have no intention of backing down, no intention at all.

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