

PRIME MINISTER

TRANSCRIPT OF OPENING REMARKS AT A COMMUNITY ORGANISATION ROUNDTABLE BANKSTOWN TOWN HALL, BANKSTOWN 7 MAY 2009

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[Acknowledgements]

We're here today to talk about one thing. And that one thing is jobs and how do we make a difference locally. I noticed before that it's been a long time between drinks since you last had a Prime Minister visit here. Say 13 years ago? I think I was a defeated candidate in the 1996 election 13 years ago. I'm (inaudible) last 13 years and that was pretty painful for us. But 13 years has been a long stretch of time.

This is an important part of the Australian family. This is an old, old part of Sydney, named after a distinguished botanist and a distinguished member of (inaudible). And this municipality is home to, the mayor tells me, 180,000 people. This is a large slice of our national family so what happens here locally matters nationally. What happens with families here matters nationally. What happens with community facilities here matters nationally because this is a large, large group of Australians of diverse backgrounds, part of our Australian family.

So when the problem of unemployment hits and hits communities like this, our job as the nation's Government is to be in there with you, in solidarity with this local community in order to make a difference. As I've said in other gatherings like this across the country, not to come and try and wave some magic wand and pretend that the Australian Government can say that the global economic recession will stop at the continental shelf and shall not cross the boundaries of the territorial limits of Australia but to be simply up front about the fact that what can instead do as an Australian Government is reduce its impact. To reduce the (inaudible). That's the practical challenge.

And in communities like this that I've spoken to in the last month or two, right across our nation - I started in the City of Casey in Melbourne, moving on to the northern and eastern suburbs of Adelaide, to the southern suburbs of Perth, to north-western Tasmania, where I spoke with the community of Ulverstone, yesterday in Campbelltown and today in Bankstown and tomorrow in Liverpool and also with visits still to make to other parts of the country as well where unemployment is hitting hardest - how do we as government, partner with you the community to make a difference? To make a difference locally. This is a very, very practical business, with a very, very practical set of questions.

Let me tell you a little bit about how we're approaching this as an Australian Government and what we're doing around the world, what we're doing nationally, what we hope to do in partnership with you here locally. I'm going to ask Toby Hall in a minute from Mission Australia to throw some ideas on the table as well about what may be working in local communities elsewhere to trigger our thinking about what might also be good to do here in addition to what is already being done.

This recession is global. And therefore the first response has to be how do we work together with the other largest economies in the world to make a difference globally? And that's why recently I attended the G20 Summit in London, that's why at that G20 Summit I worked with heads of government from around the world on core challenges. How do you provide enough stimulus into the global economy now to make a difference while the private sector is in retreat?

The good news out of London is that we agreed on a stimulus package globally of some \$5 trillion to add to the overall size of the global economy while the private sector is in retreat and that makes a huge difference in terms of jobs.

Secondly we agreed, how do we actually establish a framework which is agreed between the largest economies in the world to restore the world's leading private banks to health because the restoration of private credit flows is so important to the vibrance of local communities and local businesses. And what happens with the world's largest banks is of direct relevance to the flow of private credit and the cost of private credit here in local communities across Australia and we agreed on an international framework to do that.

We also agreed to provide proper resources and funding and policy flexibility to the International Monetary Fund. A trillion dollars worth of resources. Why? We don't want to see a second round major shock reverberate across the global financial system without the IMF ready to handle that shock. Because if you don't have that in place what happens is it bounces straight back into the world's private banks which in turn affects the flow of credit and the cost of credit to the rest of the world's economies, including to businesses here in Australia, in Sydney and in South Western Sydney.

What we also agreed on was rules for the future of the financial system globally as well, so that we don't return to the sort of free market fundamentalism, the unfettered markets, the unrestrained greed that we saw aligned in financial markets causing this crisis in the first place. And we're working together on finalising rules for the future of the financial system worldwide as well. The risk and reward ratios as they apply within the world's largest financial institutions, the proper provision of what's called prudential or regulatory capital to make sure our banks are properly provisioned for the future around the world. And other similar measures.

And finally, drawing a line under protectionism. One big lesson from the 1930s - if you go out there and launch trade wars against each other, everyone suffers and as a result local

recessions deepen, lengthen and more people are hurt and hurt harder.

These are the things we agreed upon as a gathering of the world's largest economies in London only a month or so ago and while it's not a perfect outcome it was probably the best outcome we've seen from a global gathering of economic leaders and political leaders at any time in modern economic history. Because what these leaders agreed is as follows: we the community of nations, the community of the largest economies in the world, the G20, recognise one core fact: we are all in this together. Every one of us. Whether it is the King of Saudi Arabia, the President of Communist China or the President of Capitalist America – we are all in this together and the actions of one will affect the actions of the other.

The second thing that we are engaged in and it's not just global action, but national action. Last October we took a number of fundamental decisions. We took a decision to guarantee each and every bank deposit in the country. Deposits held in credit unions and building societies because if we don't have confidence in the stability of the financial system then frankly everything else becomes second order. And that decision was fundamental, absolutely fundamental, the first time that any Government, any Australian Government in the history of this federation going back to 1901 has gone out and guaranteed everyone's bank deposits.

Had we not done so, the roll-on consequences for the Australian economy would have been horrific. We did so, it was the right thing to, subject to the usual array of criticism but the absolutely right thing to do given the circumstances we were confronted with at the time. And other related measures to ensure that our banks and our financial system remain in effective working order given that when you look around the rest of the world you see more than 30 of the world's largest banks go under or have to be bailed out. The stability of our financial system is fundamental and we've been head down, tail up in making sure that that stability continues and it's been challenging work.

But in addition to that we also invest in temporary economic stimulus in order to make sure that we, through direct investment in the economy, are helping to fill the gap that is left by private sector temporarily in retreat because of what's happened with the global recession. And that's why we make absolutely no apology at all for investing in a national economic stimulus strategy to build jobs and training today while investing in the nation building infrastructure we need for tomorrow. That's the strategy. Jobs, apprenticeships, traineeships today while building the infrastructure, the roads, the rail, the ports, the high speed broadband, the schools, the TAFEs and the universities that we need for tomorrow.

That's our strategy, that's what we're doing. We began with short term stimulus by providing assistance to pensioners and carers, veterans and to families in order to provide a shot in the arm to the one and half million plus Australians who work in the retail sector. Compare and contrast the retail sales figures we saw published yesterday with those in practically every other advanced economy in the world – you will see the difference. I take serious the jobs of Australians out there in the retail sector. That's why we did it without apology. It was the right thing to do and if you want to see some statistical evidence of its effect, look at those figures yesterday and compare them what is happening in other economies around the world. We can't prevent job losses occurring in the retail sector, we can reduce those job losses from what they would otherwise be. That's short term stimulus.

Medium term stimulus. Our investment in the single largest school modernisation program the country has ever seen. Every primary school in the country, secondary schools as well. A comprehensive maintenance and repair program across all of Australia's 10,000 schools. With one objective, to be out there injecting \$15 billion of activity into the economy in the period ahead to create jobs, apprenticeships, traineeships now while building the schools

that we want for our kids for tomorrow. 21st century state of the art libraries, multi-purpose halls, classroom modernisations. In the case of secondary schools, 21st century science centres, language centres to make sure that our kids have the absolute best facilities in which to learn. And on the way through creating jobs, creating opportunities and apprenticeships.

I was talking to a bloke yesterday, (inaudible) I was talking to a bloke yesterday. We visited a firm of builders on my return from a local jobs forum out in Campbelltown, where I just ran through the number of trades and sub-contractors involved in single building site, putting together a single 21st century library, or a multi-purpose hall in a primary school. He rattled off to me something in the order of 20 to 25 separate trades. People who do the site clearance at the beginning to the site clean up at the end and every point in between. From plasterers to tilers to painters, to people who do the brickwork, the carpentry, the joinery and everything in between. Some trades I'd never heard of before and all there providing jobs. And he said in a project like that up to 60 tradies and subcontractors could be on the site at any one time, rising in some cases to 150 and beyond. With those projects going up for six to nine months.

We're doing that right across the country. And we're doing it for one express purpose: jobs, apprenticeships, traineeships now in order to build the schools that we want for tomorrow. Similarly with social housing; the largest single investment in social and community housing that an Australian Government has ever engaged in. 20,000 units of social housing, out there being invested in now to create the social infrastructure we need for tomorrow while supporting jobs and apprenticeships today.

Our investment in ceiling insulation. Those folks out there involved in the ceiling insulation business at the moment have got more work than they can poke a stick at. Right across the country our objective, to assist the environment, to assist in pulling greenhouse gases in the atmosphere, reducing our greenhouse gas pollution to realising our national ambition to create in every owner-occupied dwelling in the country, a dwelling which has environmentally effective ceiling insulation. Pulling the equivalent of a huge amount of greenhouse gas equivalents out of the atmosphere, at the same times creating jobs and traineeships on the way through. These are the elements around medium term stimulus strategy.

For our long term stimulus strategy you've already seen our announcement to build a world class national broadband network. That's an investment of up to \$43 billion across the country. To create the information super highway of the 21st century so that businesses out here in Bankstown and south-western Sydney are on the same playing field as businesses in any other part of the country, able to jump on the information super highway, establish real time contact with customer bases and client bases across the country and across the world, which have not been accessible in the past and also accessing the most cost effective supply chains that those businesses might not have been able to access before as well.

And to turbo charge the way in which business does business and the way in which communities have government services delivered in health, in education. Schools in one part of the country hooking up with the best teachers in other parts of the country. You have a great lecturer in Japanese language studies located in Brisbane delivering a course online to the local school here in Bankstown. At the same time we have got a first class teacher of a particular area of matriculation level physics, online, teaching a bunch of kids in a provincial school somewhere in south western Queensland.

That is what we are on about. The best way to do it. In health as well, making sure that the radiography services, your scans for expectant mums, can be accessed online around the country for people who don't have immediate access to first class, immediately physically available hospital facilities.

So what are we doing? Creating jobs, apprenticeships and traineeship opportunities now in the building industry, while at the same time, creating infrastructure that economy and our communities need for the 21st Century.

This is our national program of action, but none of that works properly unless we are also engaged in a program of local action as well. And what I outlined in my first address to local communities like this about a month ago in the City of Casey in Melbourne was a Jobs and Training Compact with Australia.

And the Jobs and Training Compact with Australia is in a nutshell this: how do we make a difference here at the local level as well, how do we make a difference with local communities. What is our Jobs and Training Compact with Australia all about? Three things: A compact with young Australians so that every young Australian under the age of 25 must be earning or learning and provided a universal entitlement to a training place if that young person is not in school or is not in work.

That is what we are on about and we intend to do it, in order to provide the skills that a young person needs now, particularly if they are finding it difficult to get in to the labour market or have lost their job, to obtain new skills, to sustain their current skills or to enhance them, so that when the global economy recovers, they are in the best position possible to re-enter the workforce.

We don't want to repeat the mistakes of the past and have a generation of young people who find it very difficult to re-enter the workforce.

Second thing: a compact with Australians who have been retrenched through no fault of their own, providing an undertaking to workers in those circumstances, that we will be with them through the changes that we have made to NewStart, the changes that we have made to availability of services from Job Services Australia and the changes that we have also engineered in our discussions with the banks to make it easier for people who have been retrenched to get a year's grace in terms of mortgage repayments and personal loan repayments on things like cars.

Practical things which make a difference. It doesn't solve the problem, being retrenched is really hard, but in order to try and lessen the burden, lessen the impact, these are practical measures we can take, and there is more to be done here, in a compact with Australians who have been retrenched.

Thirdly: a compact with local communities, which brings us to the meat in the sandwich about what we are doing here today.

How can we partner with you as representatives of local business, local chambers of commerce, local community organisations, church organisations, charitable organisations, local representatives of the trade union movement, how can we work together with you in order to take all those things that we are doing nationally, add something and make more of a difference here locally.

That is what it's all about. We have established this thing called a Local Jobs Fund, \$650 million nationwide, and we are seeking to deliver that in partnership with local communities

through our local priority employment coordinators.

Now Zvia here has been handed this task by the minister and she will be your interim priority employment coordinator and the job which we will leave with her and the minister as I leave here today is to establish a network with you, the representatives of this community, you the leaders of this community, on how we can make difference here locally.

I am not going to tell you what you should do. We are here to listen to what you think you can do, what difference you can make.

If there are local social enterprises, or a local not for profit organisation which can be established, or expanded from what it currently does, how can we build on that in terms of creating more jobs, more apprenticeships, more training opportunities?

These are local business proposals in partnership with other businesses where the Government can help. Do your local authorities here have further additional local initiatives which we can partner up with and make a difference? You all know, because you live here, you love this place, you are part and parcel of the community. You know it well. You all know what is possible. Our job is not just to say well here is a bunch of fine ideas and just walk away. Our job is to partner with you through the presence of a Priority Employment Coordinator and we're keen to support her, working in partnership with your local members and on top that having access also to this Local Jobs Fund. And that's the challenge we're going to leave you with this morning.

One final and practical thing before I ask Toby to speak is this. If you want some evidence of the sorts of things we're doing locally, today I'm also pleased to announce today that the Government will be providing \$3.15 million towards the redevelopment of the Bankstown Arts Centre in South Western Sydney. I'll be visiting there later today. Why are we doing that? We're funding more than half of the \$5.9 million for the project, the centre is expected to include a theatre, rehearsal rooms, foyer and exhibition space, studio, meeting rooms, storage, administration areas, as well as landscaped and paved grounds and car parking.

This will involve local jobs, about 40 in number during the construction phase and involve also the participation of community organisations and volunteers groups in support of its completion. It also builds on more than \$770,000 that the Government has delivered for 19 local projects in Bankstown this year – bringing the Government's investment this year alone to nearly \$4 million in these local projects.

None of these projects individually fixes the problem but if we're engaged in of all of these things together and adding some, with you coming up with ideas, local community, local organisations and business organisations saying hey we can do these extra things as well if you're partners with us, we can make a power of difference, make a huge difference locally. And being realistic about it, not eliminating the problems of unemployment, not eliminating it but reducing it and that is what we're here to do.

Thanks for listening.

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