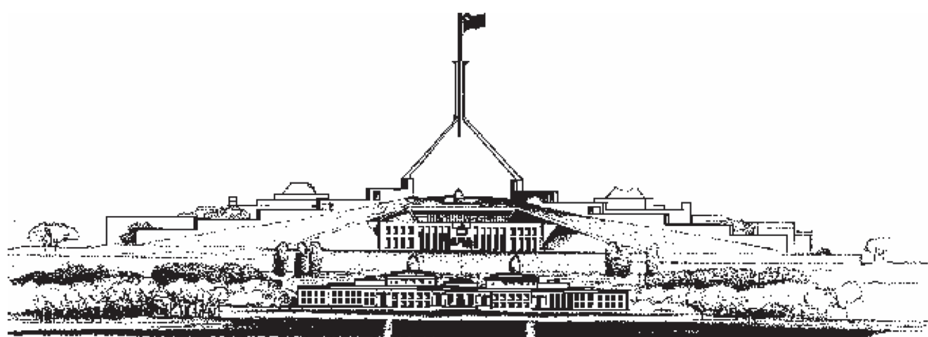
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



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THIRTIETH PARLIAMENT
SECOND SESSION—FIRST PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

there is at the moment for the work test to operate successfully.

Mr DEPUTY SPEAKER (Mr Armitage)—Order! The time allotted for precedence to general business has expired. The honourable member for Mackellar will have leave to continue his speech when the debate is resumed. The resumption of the debate will be made an order of the day under general business for the next sitting.

UNEMPLOYMENT BENEFITS

Discussion of Matter of Public Importance

Mr DEPUTY SPEAKER—Mr Speaker has received letters from both the Leader of the Opposition (Mr E. G. Whitlam) and the honourable member for St George (Mr Neil) proposing that definite matters of public importance be submitted to the House for discussion today. As required by standing order 107, Mr Speaker has selected one matter, that is that proposed by the Leader of the Opposition, namely:

> The Fraser Government's improper and unfair efforts to deny unemployment benefits to eligible persons.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the Standing Orders having risen in their places—

Mr E. G. WHITLAM (Werriwa—Leader of the Opposition) (12.46)—The Fraser Government has been caught out in a shoddy attempt to bypass the law on the payment of unemployment benefits to school leavers. Last Friday the High Court ruled that the Government had exceeded its powers in denying unemployment benefits to school leavers for up to 3 months. The Government's treatment of young people seeking jobs, always insensitive and incompetent, is now shown to have been illegal as well.

The treatment of school leavers is by no means the only example of the Fraser Government's determination to make life difficult for the victims of its economic policies. In March last year a whole series of stringent, illiberal and in many cases humiliating new tests and conditions was imposed on applicants for benefits. In November the Government sought to trim the unemployment figures for the holiday period by directing local managers of the Commonwealth Employment Service to reduce the figures to rock bottom. In February I made public a minute from the Department of Employment and Industrial Relations showing that the Government had instructed CES managers in Queensland to take unemployment benefits away from Aborigines on church missions and government settlements. Throughout the whole period of this Government there has been a campaign of intimidation and harassment of the unemployed, with the workless branded as loafers and dole bludgers. The Government's record on unemployment is first to deprive people of jobs, then to stigmatise them as misfits and bludgers, and finally, by fair means or foul, to deprive them of benefits. It is a breathtaking combination of mismanagement, meanness and arrogance.

It is deplorable that young victims of these shabby and underhand methods have had to seek redress from the High Court itself. In Karen Green's case Mr Justice Stephen's judgment is worth quoting. The Government deserved all the humiliation it received at the hands of His Honour last Friday. He was in no doubt that the Act meant precisely what it was always understood to mean and what Parliament intended it to mean. He said:

> The state of being 'unemployed' I regard as satisfied as soon as a student leaves school, with the intention of not returning but, instead, of entering the workforce, and begins to seek employment.

The judge concluded that while an applicant must have taken reasonable steps to obtain work, this did not entitle the Department, on the Government's instructions, 'to impose a quite arbitrary time of almost 3 months before this criterion is to be regarded as having been complied with'. Mr Justice Stephen declared that the Government's policy could 'frustrate rather than aid' young people in obtaining the unemployment benefit. In other words, in the view of the High Court, the Fraser Government exceeded the law, acted in an arbitrary fashion, and did its best to frustrate the victims of its economic policies. If the Government wanted to deprive school leavers of benefits it could, and should, have amended the Act. Why did the Government take the coward's way out? Why did it tell public servants to circumvent the law instead of amending the law in Parliament?

The Government was ashamed of its policy, but more likely it was frightened of the reaction from its own supporters. It is one thing to implement stringent and illiberal measures; it is another thing to go on record as supporting them in the Parliament. A year ago Liberal senators went to water over another notorious example of the Government's heartlessness and penny pinching—its refusal of funeral benefits to pensioners. Plainly, the Fraser Government feared a repetition of its humilitation in Parliament last year. How much easier it is for Ministers to instruct public servants on a new policy directive than to get Government members in both

Houses to stand up and declare themselves on unpopular legislation. The Fraser Government thought it would get away with it. It thought it could tell public servants to fob off applicants for the unemployment benefit instead of amending the law. Instead of being humiliated on the floor of Parliament, the Government has been humiliated by the High Court.

Let it be quite clear that the Government has not simply been proved wrong on a technical interpretation of the law. It has been caught out in a deliberate attempt to bypass the law. It has sought to bypass the Parliament. We know that the avoidance of the parliamentary process in favour of executive decision and the use of regulations has now been elevated to the status of official government policy. Cabinet decision No. 1615 of 9 October states:

> . . . except in special circumstances Bills not be drafted unless they are necessary as a matter of law to achieve the desired purpose.

The *Financial Review* of 27 October reported:

> The Legislation Committee of Cabinet . . . has effectively opted for procedures which could certainly limit the opportunity for Parliamentary debate on legislation. The Committee has agreed that 'parliamentary counsel give particular attention in drafting bills to the possibility to leaving to regulations details that are liable to frequent change' . . . The combination of these changes of emphasis goes against much that has been preached by the Government about the importance of Parliament.

Of course it does. In this case an arrogant and dictatorial Government went too far. It exceeded its parliamentary authority and pre-empted the findings of at least 2 inquiries—the Norgard inquiry and the Myers inquiry—which it appointed to look into the workings of the Commonwealth Employment Service. If the Government believes that some forms of welfare ought to be reviewed—and there may be a case for such reviews—it should at least have the decency to wait for the findings of its own inquiries. If it decides on changes in the rules, the proper way to make them is after debate in this Parliament—debate on legislation to amend the law—not by ministerial fiat or bureaucratic obstruction. Mr Justice Stephen stated:

> The prevention of abuses of the Act cannot be made the occasion for disregarding the statutory criteria of eligibility in favour of a requirement which finds no place in the legislation and the effect of which is to deny, for almost 3 months, to the great body of honest school leavers an opportunity to qualify for unemployment benefits.

The Government knows very well that in attacking the rights of school leavers it is attacking the largest single group and the fastest growing group among the unemployed. Earlier this month Senator Sibraa released a table prepared by the Commonwealth Employment Service showing that more than a third of the registered unemployed in the Sydney metropolitan area in February were under 21 years of age. Yet people under 21 normally make up about 12 per cent of the work force. The numbers of young people out of work because of this Government's economic policies have grown dramatically. In November 1975 there were 103 093 unemployed young people under the age of 21. In January 1977 the figures had jumped to 155 944. Youth unemployment has increased by 51 per cent since the Fraser Government came to power. At the end of March 1977 there were 44 359 more people receiving unemployment benefits than at the end of March 1976. Yet at the end of January 1977 there had been 19 204 fewer recipients than at the end of January 1976. The huge rise in the number of recipients after the holiday period reflects the number of school leavers denied benefits by the Government's policies.

The explanation appears in the answers given to my colleague the honourable member for Lang (Mr Stewart). On 31 March Senator Guilfoyle informed him that 6895 school leavers applied for the unemployment benefit during the week in which the official school year resumed in their respective States. By 11 March 22 215 school leavers had applied for the unemployment benefit since the end of the week in which the official school year resumed. To that date 32 368 school leavers had been granted the unemployment benefit. In another answer from the same Minister on the same day to the honourable member for Lang it appears that between 29 November 1976 and the official resumption of the school year in each State 34 455 school leavers lodged claims for the unemployment benefit. That is the number claiming the unemployment benefit. Yesterday my colleague, the honourable member for Lang, was given an answer by the Minister for Employment and Industrial Relations (Mr Street) on the number of school leavers registering as unemployed from the end of the 1976 school year to the beginning of the 1977 school year. It appears that during the relevant months 47 159 males and 40 009 females who had left school had registered as unemployed with the Commonwealth Employment Service. During that period only 11 626 males and 6831 females had been found jobs by the CES.

The Government has twisted and floundered in its attempts to justify its decision to deny school leavers the unemployment benefit for a

whole 3 months. In response to repeated questions by members of the Opposition the Government has failed to produce any statistics of the number of abuses of the law or any legal advice supporting its policy. On 6 December my colleague Senator Grimes asked the Minister for Social Security, Senator Guilfoyle, to table a copy of the advice which the Government claimed it had. The Minister undertook to table the advice and indeed tabled a document the following day. That document did not relate to the payment of the unemployment benefit to school leavers, but to the payment of a benefit to tertiary students on annual vacation. Senator Grimes on 8 December again asked the Minister to table the advice. The Minister undertook to ascertain whether the Director-General of Social Security had any advice in a form suitable for tabling. Of course no document has been tabled because the Director-General was given a political direction by the Government. He received no legal advice. It is typical of the Fraser Government that it should direct its economic policies against the weakest and most defenceless groups in the community. It has picked on young people and it has picked on Aboriginals. On 3 February I was given a copy of a minute from the Department of Employment and Industrial Relations to employment office managers in Queensland. Its effect is to take away the benefit from unemployed Aboriginals living on church missions and government settlements. I seek leave to incorporate a copy of that document in *Hansard*. It was also published at that time in the *Australian Financial Review*.

Mr DEPUTY SPEAKER—Is leave granted? There being no objection, leave is granted.

The document read as follows—

Department of Employment and Industrial Relations, Queensland

File: 62/3157
EO File: 2/8

Employment Office Managers

UNEMPLOYMENT BENEFIT—PERSONS RESIDING ON ABORIGINAL COMMUNITIES

1. During 1973 the Department of Social Security reviewed the conditions under which Aborigines residing in Church Missions and Government Settlements would be entitled to payment of unemployment benefit.

2. Formerly these people were not entitled to unemployment benefit unless they were employable and normally employed outside the mission; were willing to work outside the mission or settlement and had taken active steps to obtain such work. The review eliminated the condition that Aborigines who are full time residents of Missions or Settlements are required to accept work away from the Community in order to qualify for unemployment benefit.

3. This arrangement had the effect in North Queensland of inflating the applicant register with persons who cannot be work tested, and are simply on indefinite unemployment benefit.

4. To reduce this unproductive workload without jeopardising the claimant's right to benefit it is proposed that the following procedure be followed:

(a) Forms QEMP101 have been overprinted (see attached copy) with a section 'Are you prepared to work in another locality'. This form should be completed by all unemployment benefit claimants living on missions or settlements.

(b) Where claimants indicate that they are not prepared to work away from the mission or settlement and it is clear that there are no employment opportunities in that particular area, the claimant should be regarded as unavailable for work and lapsed from the register.

(c) Department of Social Security should be notified through Form 2.1.98 that applicant is in an area where no work is available and that no employment action can be undertaken. Your comments in the particular parts of this form should include:

'Personal Appearance'—'No employment interview can be undertaken' 'Evidence of Attitude to work'—'Applicant is living in an area where no work is available and he/she is not prepared to work in another locality'.

Following this action, the Department of Social Security will be in a position to determine whether unemployment benefit or special benefit should be paid.

K. G. CRUICE
A/Asst Director, Employment Services
27 January 1977

Mr E. G. WHITLAM—The document shows that where claimants are not prepared to work away from the mission or settlement where they have always lived, they should be regarded as unavailable for work. This is a cruel, legalistic and discriminatory decision. My Government recognised that Aboriginals often have a traditional association with the land where such missions and settlements are established. For the sake of a marginal reduction in the numbers appearing on the dole, the Fraser Government will force these people from their traditional homes or render them destitute. In taking its decision the Government has, in fact, pre-empted the findings of its own working party appointed to examine the problems of Aboriginal employment.

The facts appear in question on notice No. 556. Before the end of May last year the Ministers for Employment and Industrial Relations, Aboriginal Affairs (Mr Viner) and Social Security had discussions on the problems of Aboriginal employment, including the impact of unemployment benefit payments on Aboriginal communities. Thereafter, on 28 May last, officers of those Departments and of the Department of Education were appointed to a working party to make a full study of these matters. The working

party completed its report on 31 July last. Thereafter, as appears from various answers to questions I have addressed to the relevant Ministers, the Department of Employment and Industrial Relations prepared a submission to the Government. That decision should have been before Cabinet. It was expected to go before Cabinet on many occasions but, in fact, it has not yet been determined. Similarly, reports which the Standing Committee on Aboriginal Affairs of the former Labor Government made, tabled on 30 October 1975, and reports which the Senate Select Committee on Aborigines and Torres Strait Islanders made on the question of Aboriginal employment, tabled on 26 August 1976, have not yet been considered. In the document which I have tabled it is plain that the Government has pre-empted the discussion, the decision by the Government, the discussions by departments, on a report which was sought last May and which was received last July.

The Government is treating Aboriginals with the same callous indifference, the same heartless incompetence and arrogance as it has shown to school leavers and the unemployed generally. We get no honesty, no candour and very little action from this Government. In one case its actions are exposed by leaked documents; in another they are checked by a judgment of the High Court. It is interesting to reflect that in all the flurry and fury of litigation against my Government's programs there was never any challenge upheld to the basic legality or constitutionality of our measures. There were many attempts, but none succeeded. Now, on the first High Court challenge to an action of the Fraser Government—not on some new interpretation of its powers, but on the application of the existing law—the Government is exposed as exceeding its powers and defying the Parliament.

Mr DEPUTY SPEAKER (Mr Lucock)—Order! The time of the Leader of the Opposition has expired.

Sitting suspended from 1.2 to 2.15 p.m.

Mr HUNT (Gwydir—Minister for Health) (2.15)—In response to the Leader of the Opposition (Mr E. G. Whitlam), I do not intend to dwell on the question relating to the non-payment of unemployment benefits to school leavers during the last December and January school holidays. Let me explain the reason for that course. Mr Justice Stephen, in the High Court of Australia, handed down a judgment on Friday last resulting from the action of *Karen Christine Green (by her next friend Patricia Ann Truman)* v. *Laurie Daniels, Brian Wraith and the Commonwealth of Australia.* I seek leave to have the judgment incorporated in *Hansard.*

Mr DEPUTY SPEAKER (Mr Lucock)—Is leave granted? There being no objection, leave is granted.

The document read as follows—

KAREN CHRISTINE GREEN (by her next friend PATRICIA ANN TRUMAN)

v

LAURIE DANIELS, BRIAN WRAITH AND THE COMMONWEALTH OF AUSTRALIA

Judgment: STEPHEN J.

The plaintiff is a girl of sixteen who completed her fourth form school year on 26 November 1976 at Clarence High School in one of Hobart's eastern shore suburbs.

During 1976, while still at school, she had discussed with a school guidance officer and others possible employment opportunities. On 25 November 1976, the day before the end of the school year, she visited a branch office of the Commonwealth Employment Service so that she might register for employment and seek assistance in finding it. She duly registered and some details of her school record were taken. She was told that there was no work available for her and that she should call in again later on when she had received her complete school results.

She received these results some three weeks later and called again with them at the office of the Service on 20 December 1976; she was interviewed, was told that no jobs were available and that she could not as yet receive an unemployment benefit because school leavers would not be receiving it until 22 February 1977. Details of her school record, as previously recorded, were supplemented and corrected in the light of the examination results she had brought with her. She was handed a printed form of letter from the Department of Social Security, apparently prepared for distribution to those leaving school that year, together with two forms issued by that Department and headed respectively Record of Applications for Employment and First Income Statement. These she was told to bring back, duly completed, on 22 February 1977. She then also completed a claim for unemployment benefit. She was then taken to the Department of Social Security where she made application for a Special Benefit available in certain instances to those not entitled to unemployment benefits; however this application was later rejected upon the ground that her mother, a widow, would continue to receive an additional benefit in respect of her until she obtained employment or until 22 February 1977, whichever should be the earlier.

Then, in January 1977, as a result of receiving a letter from the Commonwealth Employment Service, she had a telephone conversation with an officer of the Service in which she was asked whether she had already 'registered for unemployment'. On hearing that she had, the officer told her, in response to a question, that she need not again visit his office until 22 February and that she should then bring with her the completed forms she had been given.

During the months of December, January and February the plaintiff made a number of efforts to secure employment, she responded to advertisements and registered with two private employment agencies but all without success.

On 22 February 1977 she again called at the office of the Commonwealth Employment Service with the forms which she had by then completed and which she then lodged. She asked about job vacancies and, after some enquiry was made, was told that there were none. She filled in a further

by the availability of an alternative remedy by way of certiorari— *Pyx Granite Co. Ltd* v. *Ministry of Housing and Local Government* (1960) A.C. 260 per Lord Goddard at p. 290—and no different considerations should apply when mandamus might lie—see generally Zamir, *The Declaratory Judgment* (1962) at p. 98 et seq. and De Smith, *Judicial Review of Administrative Action* (3rd Ed.) p. 442, 465 and 490 et. seq. In *Forster* v. *Jododex Australia Pty Ltd* (1972) 127 C.L.R. 421, Gibbs J., with whom, in this respect, all other members of the Court agreed, examined in detail the extent of the jurisdiction to grant declaratory relief. What his Honour there said, including his reference to and his distinguishing of *Toowoomba Foundry Pty Ltd* v. *The Commonwealth* (1945) 71 C.L.R. 545, I would regard as applicable to the present case.

It was further urged on behalf of the defendants that the provisions of s. 15 of the *Social Services Act* should, as a matter of discretion, result in the refusal of relief to the plaintiff. That section confers upon a person affected by a determination of an officer other than the Director-General a right to appeal to the latter. Having regard to the nature of the determination, (if it was in truth such) which is here in question, a determination which did no more than reflect the instructions of the Director-General as to the disqualification of school leavers for unemployment benefits during school holidays, it may be that the determination of the delegate, that the plaintiff was not qualified, should be regarded as in fact that of the Director-General. But in any event, the nature of the matter here in dispute, not at all concerned with the quality of a particular exercise of discretionary power by an officer but rather with the validity of a general rule of administration adopted by the Director-General, is such that I would not, as a matter of discretion, regard the existence of the right conferred by s. 15 as a reason for refusing declaratory relief.

To make a declaration in the form proposed will not involve any element of futility, nor of retrospectivity. The fact that the plaintiff has now been recognised as qualified to receive unemployment benefits as from 22 February 1977 does not affect her complaint that prior to that date she was denied qualification for a reason which lacked statutory justification. There remains in question her eligibility before that date; should the Director-General, in conformity with my declaration, undertake a re-examination of the plaintiff's position and conclude that, on the facts then existing, she was in fact qualified as from some earlier date she will, no doubt, receive payment accordingly, but this will not involve, in any true sense, the making of a retrospective determination.

I should advert to the effect of s. 132 (3) of the Act, to which passing reference has already been made; it reads:

> 'Where payment of an instalment of a benefit has not been made within twenty-eight days after the day on which the instalment became payable, the instalment shall not (unless the Director-General, in special circumstances, otherwise determines) be paid'.

This sub-section only applies to delay in payment after an instalment 'became payable'. It can, I think, have no application in the present case since, unless and until the Director-General is satisfied as to the holiday-time entitlement of the plaintiff to unemployment benefits, no question of any benefit or any instalment becoming payable to her will arise.

The writ by which the proceedings were instituted issued on 24 December 1976, four days after the plaintiff's second visit to the Commonwealth Employment Service and before any payment would in any circumstances have been due to be paid to her by way of unemployment benefit. This is because a benefit only comes payable seven days after an applicant either becomes unemployed or makes a claim for unemployment benefit, whichever be the later—s. 119 (1). The defendants contend that for this reason the proceedings are premature; so they might be, were they no more than proceedings for the recovery of moneys said to be due by way of benefit payments due and unpaid. However, the form of declaratory relief which I propose is not subject to any such objection; the plaintiff had been affected by the Director-General's general rule well before issue of her writ and was already, before its issue, entitled to complain of the denial of an opportunity to seek to satisfy the Director-General of her entitlement to unemployment benefits pursuant to s. 107.

It is for the foregoing reasons that I conclude that the plaintiff is entitled to declarations of the general nature already indicated. She is not, however, entitled to a declaration that she was, in respect of any period before 22 February 1977, qualified to receive unemployment benefits; any such qualification remains for determination by the Director-General or his delegates in the light of s. 107 (c) and of the particular circumstances of the plaintiff at the time. It follows from this that there can be no present order or declaration as to entitlement to, or payment of any unemployment benefits to, the plaintiff in respect of the period before 22 February 1977.

It remains only to dispose of the plaintiff's second claim, which is said to sound in damages for negligence on the part of the defendants in wrongly advising the plaintiff as to her rights. This claim was put in varying ways during the course of argument but, however expressed, cannot entitle her to relief in these proceedings. The plaintiff faces real difficulties in establishing either that, in reliance upon the defendants' negligent advice, she acted to her detriment (bearing in mind that only four days after that advice, her writ was issued with a full statement of claim signed by senior and junior counsel) or that she has in consequence suffered damage. But, more importantly, I am not satisfied, assuming for the moment (although without in any way so deciding) that there existed some appropriate duty of care owed by the defendants to the plaintiff, that the facts disclose any breach of that duty. In any event, this particular claim to relief was, as I understand it, put forward only because of apprehension lest, being found entitled to payment of some money sum, the plaintiff might then find herself deprived of the right to payment of it by the operation of s. 132 (3) of the Act. The view which I have already expressed concerning the operation of that provision disposes of that fear. Accordingly, I make no order as to relief in respect of that claim.

The declarations to be made fall considerably short of those sought by the plaintiff in her amended statement of claim. I have prepared declarations in draft form; they will be available to the parties and I will be prepared to hear any submission as to the precise form they should ultimately take.

Mr HUNT—As the matter is still incomplete and subject to discussions with Mr Justice Stephen and the other parties if they so wish, there is no point in pursuing this issue until the final declarations have been made and the Government has considered the reasons for any decisions that are given by the court. We feel that it is not a matter that should become the subject of political debate in this place.

However, I nail the lie that the Government has shown a complete disregard for those school leavers who suffered hardship during that time.

In cases that were brought to the Department's notice, compassionate consideration was given to specific cases. As a consequence of the compassion and concern of the Minister for Social Security (Senator Guilfoyle) and the Department, about 100 special benefits were paid to school leavers. This is not to say that some may have suffered hardship and the circumstances were unknown to the Department and to the Minister. However, where hardship cases were identified, special assistance was provided. In most cases where school leavers were living with and supported by parents, there was no greater hardship than when they were at school. I suspect that the Leader of the Opposition is doing his best to squeeze the last drop of political mileage out of this issue. I do not think that it does the honourable member any credit to be pursuing this issue at this time when the judgment of the High Court is still subject to judicial consideration.

In respect of the claim that Aboriginals are being discriminated against, I categorically refute the allegation that the Department of Social Security or, for that matter, any other Department has discriminated against Aboriginal people. There are no changes in policy regarding the eligibility of Aboriginals since the Fraser Government came to office in 1975. Indeed, there is no discrimination against Aboriginals in the Social Service Act. The term 'Aboriginal' does not appear in the Act.

Allegations have been made that a circular was distributed on 27 January 1977 by a Mr E. G. Cruice, Acting Assistant Director of Employment Services in the Department of Employment and Industrial Relations. Senator Grimes in another place referred to this circular—and indeed the Leader of the Opposition incorporated it in *Hansard*—as an attempt to make a case that the Government was seeking to prevent Aboriginals living on settlements or missions from qualifying for unemployment benefits. This is just not true. It was never circulated. It is understood from the Department of Employment and Industrial Relations, Melbourne, that the circular was prepared to be sent to employment office managers, but all action was subsequently suspended. Thus the circular was not distributed with the authority of the central office. There has been no change in the policy under which Aboriginals may qualify for unemployment benefits without offering for work outside missions or settlements. It was not distributed. In the *Unemployment and Sickness Benefits Manual*, under the heading 'Unemployment Benefit', with regard to Aboriginals living on settlements or missions section 14 states that:

> Unemployment benefit is payable to Aboriginals living on settlements and missions provided they are capable of and willing to work and no such work is available on the settlement or mission, in other words, an Aboriginal is not required to leave the settlement or mission in order to qualify for unemployment benefit.

One of the fundamental requirements of efficient administration of social welfare and unemployment benefits is to ensure that eligibility for benefits is determined. The Department of Employment and Industrial Relations has an important responsibility in apply work tests to determine eligibility. Unemployment benefits, social welfare benefits and other benefits are designed to relieve people of hardship and suffering and are paid for by the taxpayers and the community generally. The Department and the Government have a very real responsibility to protect the community and the taxpayers from abuse. With this in view, it was felt that there needed to be a thorough review of the whole question of unemployment benefits in Australia. There are 2 inquiries under way now—the Norgard inquiry and the Myer inquiry. I seek leave to have incorporated in *Hansard* the terms of reference of those inquiries which are seeking to ensure that justice is done both to those who are eligible to receive unemployment benefits and to the community generally.

Mr DEPUTY SPEAKER—Is leave granted? There being no objection, leave is granted.

The documents read as follows—

TERMS OF REFERENCE OF NORGARD ENQUIRY

(1) The Review should address itself to an examination of the objectives and functions of the CES (including its role vis a vis unemployment benefit) in the light of the significantly changed environment in which it now has to operate and the current and prospective demands for its services.

(2) With regard to the objectives as determined by the Review, it should then proceed, as a matter of priority, to investigate the primary function of the Services which is the placement of unemployed persons and others seeking improved employment in suitable jobs and the finding of suitable people for job vacancies notified by employers, including the finding of labour for special needs and projects.

(3) The Review should include an investigation of the provision of special employment assistance to particular groups who need additional help to find suitable employment, for example, physically, mentally and social handicapped persons, young people without previous job experience, persons emerging from rehabilitation programs, persons experiencing long periods of unemployment, migrants, Aboriginals, ex-prisoners, etc.

(4) The Review should extend to an examination of the provision of occupational information and counselling as to occupation/vocation and as to how best to facilitate placement in suitable employment.

Mr E. G. Whitlam—Perhaps the Minister could seek leave to incorporate also the provisions of the manual relating to Aboriginal unemployment.

Mr HUNT—Yes. Mr Deputy Speaker, I seek leave to have the relevant section incorporated in *Hansard.*

Mr DEPUTY SPEAKER—Is leave granted? There being no objection, leave is granted.

The document read as follows—

TERMS OF REFERENCE: (MYER'S INQUIRY)

The inquiry should make a fundamental examination of Unemployment Benefit policy and administration. In this process it should examine all aspects of the present Unemployment Benefit system and assess to what extent Government policy and administrative arrangements need to be changed to meet present-day requirements. In particular the inquiry should:

1. Examine the underlying concept and philosophy of the present system and assess how appropriate these continue to be.
2. Against the Government's basic policy of directing assistance to those most in need, examine and recommend on a system of income support for unemployed persons having regard to:
   (a) the level of benefits the community should provide to those unable to find work, including new entrants to the work force;
   (b) the extent to which the applicant's previous income and any other income the person or their family are currently receiving should limit the level of income support during a period of unemployment;
   (c) whether arrangements should be made to adjust benefits and, if so, on what basis;
   (d) the effect of income support measures on the incentive of unemployed persons to actively seek employment;
   (e) what limits, if any, should be set to levels and duration of payments;
   (f) the conditions which should be met by individuals before they become eligible for income support.
3. Examine, in the light of any recommended policy changes, the present administrative arrangements and procedures and assess the extent to which these arrangements may need to be changed or modified to ensure effective administration of both the national employment service and the provision of income support to unemployed persons, having in mind the need to provide for:
   (a) service to clients, including prompt payment to those who qualify to receive benefit;
   (b) prevention of abuses and protection of public expenditure;
   (c) the most economic and effective deployment of Government staffing and facilities.
4. Take account of the material submitted to, and the conclusions reached by, the Review of the Commonwealth Employment Service on the question of the administration of Unemployment Benefit.

The inquiry should be expected to complete its task within three months.

U + SB MANUAL—UNEMPLOYMENT BENEFIT—SECTION 14

ABORIGINALS LIVING ON SETTLEMENTS OR MISSIONS

14.201 Unemployment benefit is payable to Aboriginals living on settlements and missions provided they are capable of and willing to work and no such work is available on the settlement or mission, in other words, an Aboriginal is not required to leave the settlement or mission in order to qualify for unemployment benefit.

Mr HUNT—When the Whitlam Government came to power in December 1972, Australia's total unemployment stood at 136 769 or 2.4 per cent of the work force. Of this number, 80 395 were under the age of 21 years. When the 3 years of Whitlam management ended, total unemployment stood at 328 705 or 5.4 per cent of the work force, with 152 543 people under 21 years registered as unemployed. I reiterate those figures: In 1972, the total number of unemployed was 136 769 or 2.4 per cent of the work force and in 1975 the total number of unemployed was 328 705 or 5.4 per cent of the work force. So under 3 years of Labor rule, unemployment nearly trebled while unemployment of people under the age of twenty-one virtually doubled. When the Fraser Government was elected to office in December 1975, the Government virtually had to act as an official receiver of an economy which was bankrupted. The restoration of the economy and employment opportunities has proved a task of mammoth proportions. I believe that the erosion of employment has been arrested or at least there is evidence to indicate that this is so. At the end of March there was 326 549 unemployed persons registered with the Commonwealth Employment Service or 5.4 per cent of the estimated labour force of 6.1 million. Unfilled vacancies declined during the month by 5 402 or 18.7 per cent to a level of 23 468. During March 1977, a total of 201 119 persons registered for employment with the Commonwealth Employment Service. They were either placed or their registration lapsed and therefore they no longer required the assistance of the Commonwealth Employment Service. In addition, referrals to employers totalled 129 808.

Members of the Opposition should not delude themselves that the people of Australia have forgotten the Labor Government's shocking record and should not try to adopt a holier than thou attitude from the privileged position of Opposition—a position that I submit they so rightly deserve to hold after their fumbling of their chance in government. During the Labor Government's period of office not only the unemployment figures but also inflation soared. That is the other side of the shabby economic

record of that Government. The Whitlam Administration came to power with a 4.6 per cent inflation rate and left office with a 14.1 per cent inflation rate. It inherited a 1972 Budget deficit of $774m. When it left office it had, by its own management, lifted the deficit to $3,585m. When we came to office it was soaring to no less than $4,000m. What an amazing record!

Mr E. G. Whitlam—What is it at the moment?

Mr HUNT—At the moment we project that it will be of the order of $3,000m by the end of the financial year. But it has been a very hard job indeed to try to overcome the problems that the Leader of the Opposition and his colleagues generated while they were in office.

Mr Scholes—How much of the previous deficit was caused by your voting against the Medibank levy?

Mr HUNT—I am sure that the honourable member for Corio has no answer for the economic quagmire created by the rapid succession of Treasurers, who were shuffled around from one end of the front bench to another. The current Government inherited the situation and is doing all it can to rectify the situation. No one in Australia can derive comfort from the unemployment figure, but the people of Australia know that it is easier to break down than it is to build. The Leader of the Opposition should be aware of that as he led the breakdown of the Australian economy from 1972 to 1975. He and his Treasurers left the Liberal and National Country Party Government with a battered and bruised economy that was wandering aimlessly.

The Federal Government has sought to rectify the problems of youth unemployment. In March of this year the number of unemployed school leavers decreased by 11 888. The number of claims for unemployment benefit lodged by school leavers from the resumption of school to 4 April 1977 was 13 617. An additional 24 137 claims were lodged from 7 January to the resumption of the school year. The number of school leavers granted unemployment benefit from the resumption of the school year to 4 April 1977 was 29 977. Those figures surely speak for themselves.

Among the number of Federal initiatives was the establishment of the State committees to assist in the administration of the community youth support scheme, which provides financial assistance to community groups and recognised youth organisations for supportive programs and services to improve the ability of young people to find employment and to help young unemployed persons to maintain a sense of direction and purpose. To date some 100 programs have been approved in which about 14 000 young people are expected to participate. The State committees will consider and approve applications for funds under this scheme. They will also be responsible for oversighting the progress of approved projects. The 3-member committees consist of representatives of the Commonwealth and State governments and an independent chairman appointed by the Minister for Employment and Industrial Relations. The chairmen are associated with community activities in their respective States. In each case the Commonwealth representative is the State Director of the Department of Employment and Industrial Relations. The Commonwealth Government has sought to update the structure and operation of the Commonwealth Employment Service.

So a tremendous amount has been done to try to overcome the real problem and also to overcome a degree of abuse within the system of which we are all well aware. The Leader of the Opposition objected to the use of the term 'dole bludgers', but yesterday he said: 'The farmers, many of whom are no more than corporate dole bludgers'—

Mr Lloyd—What did he say?

Mr HUNT—I will repeat that. He said: 'Last year the farmers, many of whom are no more than corporate dole bludgers . . .'. I do not deny that there are people trying to get at the system, to get at the Australian taxpayers, and put their hands in the till. But they represent a small percentage. I am sure that the actions we are taking will bring justice to the unemployed and people generally.

Mr DEPUTY SPEAKER (Mr Lucock)—Order! The Minister's time has now expired. The discussion is now concluded.

PRICES AND WAGES FREEZE

Mr HOWARD (Bennelong—Minister for Business and Consumer Affairs)—I table a document comprising a summary of the responses to the Prime Minister's letter regarding the wages and prices pause.

REFERENDUM (CONSTITUTION ALTERATION) MODIFICATION BILL 1977

Assent reported.

INCOME TAX ASSESSMENT AMENDMENT BILL 1977

Bill presented by **Mr Lynch**, and read a first time.