

# Australia: Rudd Labor targets jobless youth in welfare cut

Mike Head  
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Young workers and school leavers—and their families—last week became the first victims of the cuts to welfare and other social programs that the Rudd Labor government is expected to unveil in next week’s annual budget.

Prime Minister Kevin Rudd announced that from July 1, 16- to 20-year-olds would be cut off youth allowance benefits unless they were still at school, enrolled in an accredited training program or had previously attained a Year 12 school certificate. Their parents will lose the associated family tax benefit.

“If young people and their parents want to receive government benefits, the quid pro quo is that the young person is working or earning a Year 12-equivalent qualification,” Rudd said.

Writing in the *Australian Financial Review*, Louise Dodson noted approvingly that this amounted to a “welfare crackdown” and that Rudd had “taken the first step to rein in runaway spending before this month’s budget”. The newspaper’s political correspondent David Crowe said the changes demonstrated “the Prime Minister’s willingness to stop welfare payments in order to achieve an economic and social objective”.

Those immediately affected will be the 78,259 youth aged 16 to 20 who are currently classified as neither studying nor employed and are receiving the youth allowance, which starts at just \$203.30 a fortnight. Among them are an estimated 32,000 homeless youth.

These numbers are expected to grow as the recession deepens, throwing up to one million workers out of a job by mid-2010, with young workers the worst hit. Already, the official youth jobless rate exceeds 20 percent, and is rising much faster than the overall rate. According to the latest statistics, 91,000 young people in full-time work have lost

their jobs in the past year, and another 10,000 are joining the jobless queues each month.

In effect, Rudd blamed the young unemployed and accused them of being lazy. He would not allow young people made jobless by the recession to “do nothing”, he insisted. His deputy, Julia Gillard, declared: “What we’re saying to young Australians is sitting around isn’t an option.”

Far from choosing to “sit around”, thousands of school leavers and technical college and university graduates have been forced onto the job queues since the end of last year, just as major employers, including retail stores, restaurants and other service industries, were reducing staff numbers or forcing employees onto shorter hours.

The government’s scheme is designed to hide the soaring youth jobless toll, and to provide employers with even cheaper labour, as young workers, stripped of meagre allowances, are driven to take jobs under any conditions.

Rudd’s announcement followed the previous week’s release of an Organisation for Economic Co-operation and Development (OECD) report that called for youth allowances to be granted only to those who had attained, or were committed to attaining, the equivalent of a Year 12 certificate.

The OECD also urged the government to ensure that the payment of “youth”—i.e., extremely low--wages would still be permitted under its new workplace relations laws to avoid “pricing low-skilled youth out of entry-level jobs”. Gillard immediately assured employers that this provision remained.

In an effort to put a positive spin on the measure, Rudd said that federal and state governments had agreed to a “compact” to guarantee a training place to everyone aged 16 to 25. But he announced no new funding to cover the costs

of such a program and provided no details of the training that would be provided.

Nor did Rudd mention the fees—up to \$1,456 per year in New South Wales—being charged by technical colleges and private Vocational Educational and Training (VET) providers as a direct result of government cuts.

As both employment and education minister, Gillard, from Labor's "left" faction, is playing a central role in presenting the government's punitive regime as one that will best equip young people for the future. In a joint media release with Rudd, she stated: "This will ensure that as we recover from the global recession, young Australians have the skills required to realise their potential."

A veteran Technical and Further Education (TAFE) teacher challenged Gillard on ABC radio, pointing out that "there's nothing less motivating for students than someone who's there under sufferance or under pressure". Gillard flatly defended the policy, declaring "a strong message" had to be sent to young people not to "sit outside the education system and not work" and "yes there is compulsion in this message".

Earlier this year, state and territory government leaders lifted the compulsory school attendance age to 17 and last week agreed to work to raise the Year 12 retention rate from the current 74 percent to 90 percent by 2015.

Again, no funding was provided for what will be a major expansion of the school population. Instead, Rudd offered state governments a share of a \$100 million funding pool if they succeeded in meeting the 90 percent target within six years. Given the decades of cuts to education funding, this amount is completely inadequate.

The Rudd government is treading a well-worn track. In 1974, the Whitlam Labor government responded to the deepening global recession by attacking unemployed youth, coining the term "dole bludger" to imply that young people were lazy and did not want to work. In the recession of the 1980s, the Hawke Labor government abolished unemployment benefits for under-18s, and in the 1990s, the Keating government introduced "Working Nation," which forced youth into low-paid "training" positions, funded by subsidies to employers.

From 1996, the Howard Liberal government imposed a policy of "work-for-the-dole", under the rhetoric of "mutual obligation". This effectively forced young people to work

without pay, in exchange for a meagre unemployment benefit, supposedly in return for work experience. Rudd's "quid pro quo" combines features of Keating's cheap labour "compact" with Howard's "mutual obligation".

Like Rudd Labor, each of these governments claimed their measures were motivated by a desire to assist young people and provide them with career "choices". The reality has been an increasingly draconian regime, designed to give working class youth no choice but to accept the dictates of employers.

According to reports in the tabloid press last weekend, the Rudd-Gillard program could also incorporate military-run "boot camp" training. Jobless youth would be offered one- to three-month training positions with Defence, which has been formally asked to cost the proposal.

Unnamed "cabinet sources" said the plan had been promoted at the government's "highest levels" in order to instil self discipline and structure into the lives of "problem" young job seekers. It would also help overcome the military's low recruitment levels by giving young people an incentive to join up on a full-time basis.

*A Sunday Telegraph editorial welcomed the dual goal of overcoming "the staffing crisis already gripping defence—desperately poor retention rates and high levels of dissatisfaction among personnel," while "giving young unemployed people some work skills, a sense of purpose and vital connections to the working world".*

The proposal was leaked a day after the government announced the biggest expansion of the military since World War II, citing fears of rising great power rivalry in the Asia-Pacific region. Its future for young people amounts to economic conscription into either cheap labour or war.



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