IN THE LEAD up to the 2014-15 budget, Australians heard the federal government’s mantra that the “adults are back in charge”. However, the government’s approach to young people has been vague since its immediate abolition of the position of Minister for Youth. It is now possible to get a sense of the Abbott government’s approach to youth through key policy signals you can count on one hand.

For young people, these signals are generally not good. They suggest an approach to encouraging job-seeking through financial deprivation and potentially inhibit entry to higher education for those experiencing disadvantage. And they will have an impact on regional communities, which young people are already leaving in droves.

‘LEARN OR EARN’ RULES

The first signal comes from the “learn or earn” rules announced in the budget. Unemployed people under the age of 25 will no longer qualify for the Newstart allowance of $510 a fortnight, currently available to people after they turn 22. People under 25 will have to apply for the lower Youth Allowance, worth $414 a fortnight at the full rate.

In addition, jobseekers under the age of 30 will have to wait six months before receiving unemployment benefits, depending on their work history. For every year of work, a month will be discounted from their waiting period.

Furthermore, young people who return to school or take up full-time vocational education or university study will not be subject to the six month waiting period. Encouraging young people to study is beneficial, but for the rest, finding jobs costs money, so those young people without family support could lack the basic means to find jobs.

REGIONS’ DEPLETING YOUTH

Secondly, this may impact on regional and remote areas, where youth disengagement from earning and learning has been consistently high because of lack of access to jobs, training and higher education.

Young people may be forced to leave family and support networks to “suit up” and search for scarce jobs in unfamiliar cities on a paltry (or no) allowance. It will be barely enough to cover affordable housing, let alone transport and other necessities required to find a job. The Abbott government’s policy direction could exacerbate the drain of young people from rural communities.

WHERE ARE THE JOBS?

Following the six-month waiting period, income support will be provided for six months in a 12 month period if the young person participates in a Work for the Dole program for at least 25 hours a week. This may keep young people busy, but without purpose.

Evidence from previous schemes in Australia and the US suggests this approach may actually reduce the job searching activities of participants or stigmatise them in the eyes of some employers.

Treasurer Joe Hockey acknowledged that 700,000 Australians are looking for a job and said:

“to build a workforce for the future, those who can work should work”

Recent figures published by the Brotherhood of St Laurence show that youth unemployment represents just under 40 per cent of all unemployment in Australia. More than one in three unemployed Australians is aged between 15 and 24. Large numbers of underemployed young people want to work more but can’t. A deeper problem is whether the jobs are there for young people, skilled or otherwise.

TRAINING AND STUDY SUPPORT, AT A COST

For trainees, concessional trade support loans of up to $20,000 over a four-year apprenticeship will be offered in an effort to provide the same support as for those in higher education. This is welcome to the extent that supporting multiple pathways to earning and learning is a good thing. But again, the efficacy of this scheme depends on jobs being available at the end.

The Commonwealth will provide direct assistance to studying for diploma and some bachelor degrees, which on face value is positive. In addition, echoing the American university system, scholarships will be provided to students from disadvantaged backgrounds. The scholarships will be funded by 20 per cent of the extra tuition revenue generated by universities.

However, these reforms may have a social cost. Arguing that “the higher education system is being held back”, Hockey announced that higher education institutions will be able to set their own tuition fees from 2016. For students already studying, the current system will remain until 2020.

PUTTING A GENERATION AT RISK

So what does the Coalition’s five-finger policy agenda add up to? It’s a confusing mix of carrot and stick that, in a worst case scenario, will mean young people end up unemployed, demoralised and out of work for the long haul. The government risks entrenching the very problems it seeks to redress.

For Australia’s young people, having “the adults back in charge” is replete with irony as many face less support in this new landscape of earning and learning. What is missing here is a sense of equity and a fair go. The Abbott government’s policy directions risk severely undermining Australia’s long-term prospects for prosperity.

Hockey has announced that “the age of entitlement is over” and that “the age of opportunity” has begun. But for whom?

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