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Abbott's plan to ban the dole for young people shows he is out of touch with working Australians

Tony Abbott's latest thought bubble on the dole is an overly-simplistic approach to the skills shortage that shows a lack of understanding of the labour market and that he cannot be trusted to manage the Australian economy, say unions.

ACTU Secretary Jeff Lawrence said Mr Abbott's proposal to ban the dole for people aged under 30 was punitive and unlikely to make any difference to the labour market in the resources sector.

Mr Lawrence said while Mr Abbott was trying to create sensational newspaper headlines, unions and industry groups were working together through the National Resources Sector Employment Taskforce to develop real solutions to address skills shortages.

"Mr Abbott's proposal bears no relation to reality," Mr Lawrence said.

"Australia's unemployment rate is already among the lowest in the developed world, and there is no credible evidence that preventing a section of the labour force from receiving welfare payments would lead to greater workforce participation.

"Nor does this poorly thought through idea address any potential shortage of skilled labour in the resources sector.

"It is a recipe to drive down wages by creating a pool of people who have no choice but to take unskilled jobs, and is clearly motivated by the same indifference to working people as WorkChoices."

"Once again, Mr Abbott has announced a policy without consulting with any groups that have involvement in the area. There are challenges for Australia in training new and existing workers as well as retaining apprentices and trainees, but these challenges will not be solved by punishing unemployed young people.

"They require effective industry-driven responses, not simplistic fixes like that proposed by Mr Abbott. Rather than victimising young unemployed people, we need to provide better training and skills development to help them find work.

"It's also important to recognise that skills shortages in different industries are often cyclical, and a blanket policy of banning unemployment benefits for younger workers would be inappropriate.

"Is Mr Abbott seriously suggesting that young people who became jobless through no fault of their own during the Global Financial Crisis should have been punished by having their income source cut off?"

"Nearly half of all people who receive Newstart or the Youth Allowance are aged under 30.

"Where is Mr Abbott's magic pot that would create jobs for those people? Tony Abbott is out of touch and cannot be trusted by working Australians."

Media contact:

Mark Phillips ph (03) 8676 7266 or 0422 009 011; mphillips@actu.org.au