

Breaking the jobless nexus

Bob Day

The correlation between the suicide and unemployment rates for men aged between 20 and 24 lends urgency to the debate over the role of government in the youth labour market. Lip service is paid to the notion that youth and trainee wages and conditions should have some flexibility, but in practice this is rarely the case.

There are something like 900,000 small businesses in Australia and most of their owners work 10 to 12-hour days, six or seven days a week. Each and every one of them would, I'm sure, love some help. However, employing people is no longer an option. It is complicated, expensive and fraught with danger.

And there is no point in looking to big business to solve the problem — they are actually spending big on new technology so they can cut their workforce numbers.

When I started in the home-building industry in 1973, Australia was building more than 100,000 homes a year. Apprentices' wages were extremely low (less than 15 per cent of an adult wage) and were, for all intents and purposes, "deregulated". As a result, just about every tradesman had an apprentice and most (but not all) lads came from lower socio-economic areas. Those lads have now long forgotten their lean times as apprentices and are doing well. They realised they were investing in their own future.

Australia is still building more than 100,000 homes and yet you would be lucky to find an apprentice anywhere. A first-year plumbing apprentice costs an employer (with all the add-ons) \$301 a week — nearly 40 per cent of an adult wage. A second-year apprentice costs \$420 a week. No tradesman could possibly pay wages like that. And they don't. And all the lads are unemployed. There are parallels to this in every area of small business, and the effect on national productivity is painfully obvious.

The main question in Australian politics is how long the old, cosy industrial relations club is going to insist on pricing most young people out of the job market.

We've built a huge brick wall across the road to employment and every rule, every regulation, every award is just one more brick in the wall. All our job subsidies and training schemes and labour-market programs are just feeble attempts to scale the wall. Getting just one young person over the wall is hard enough — trying to get 200,000 over is fighting a losing battle.

One of the saddest things about the debate on youth unemployment is that most of the people directly affected by it, and their parents, have an intuitive understanding of these home truths. They know the difference between real jobs with real prospects and make-work exercises designed to allow government to reclassify them as "short-term unemployed" for the purposes of ABS statistics and political window-dressing generally.

Those of them who haven't had their belief in the work ethic utterly eroded, at a social cost that scarcely bears thinking about (crime, drugs, teenage pregnancy, violence, poor health and sheer boredom), talk enviously about the apprenticeship schemes that gave their parents' generation a place in the workforce. We owe them no lesser start in life.

■ *Bob Day is managing director of the South Australia-based home building group Homestead Award Winning Homes*