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EARN OR LEARN, WORK FOR THE DOLE ... BUT IN TASMANIA'S UNEMPLOYMENT HOTSPOT, WHAT HOPE IS THERE FOR YOUNG PEOPLE LIKE JOSH SMITH?

Josh Smith has one of those old Australian drawls you don't hear much these days. He reminds me of the spud diggers and shed hands from my youth. It's an accent that actors have never properly mastered. If Josh said something good was grouse, well, he wouldn't sound like a tosser. His delivery is not exactly ocker, but comes out in a slow, deliberate manner as though he's telling you something complex. And today he is - it's the story of his short but troubled life.

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"On me Mum's side I got two half-brothers and a half-sister and on Dad's side I got a half-sister and half-brother," he says. Righto, I say, and you are the only child of your mother and father. "Yeah," he says languidly. "That'd be the case." Josh, now 21, was born in Stanthorpe, just to the north of the border sign claiming you've entered the paradise of Queensland. It wasn't for him. His folks busted up when he was a toddler and he and his mum moved back to North West Tasmania, a region that's never dared to boast. She took up with another bloke. As a youngster Josh thought this man was his father. "They reckon they told me, but if they did, I never remembered it."

He was a good kid until he was about seven or eight, around the time he found out that his old man was not the man he thought. His older half-brother, from his mother's side, let the information slip. "Then, out of nowhere, I just sort of started stealing from Woolworths and fighting and getting into trouble with the police, and that led to family disputes." His mum was "a bit of a drinker" and his stepfather came down pretty hard on him. But by the age of 12, Josh started fighting back. "We had a bit of an argument one day, on the way to school ... I mean, I don't blame him, I was a bugger of a kid, but that was the first time I went to welfare. I went to live with a woman called Aileen."

Josh's teenage years were a trudge up and down dry gullies. For a few months he went to Queensland to live with the father he'd never known, but his father's new wife "cracked the shits" and it didn't last. He lived with Aileen again, for a time, and then with his older brother, and on other people's couches and wherever. He left school at 14 and never went back. No one seemed to notice. He worked for a bit, harvesting potatoes, but that never worked out either. He had a blue with the boss and his personal life was a bit of mess at the time. At the age of 17 he hooked up with a girl called Sheryl-Lee, who was 16. Sheryl-Lee got pregnant.

This is what intergenerational poverty looks like up close. If dysfunction was searching for a poster boy, Josh Smith may well be the man. He and Sheryl-Lee have split up, but still live together in the same dismal housing commission house in Upper Burnie, North West Tasmania, with their daughter Nikayla, now three. His prospects of finding work are grim. He doesn't have a driver's licence because he's never had access to a car, or someone to teach him to drive, and he can't afford lessons; there are no trains and the bus service is patchy. He left school in Year 8 and while he's done a couple of courses, he has no real qualifications. He wants to work, and is willing to do anything, he says, but in the absence of real prospects he's been training to be a mixed-martial arts fighter, a cage fighter. He's had one fight that

earned him $100, for a loss. "But if I win my second fight I could earn 400 bucks, maybe more," he says enthusiastically.

Josh has applied for a bunch of jobs - but for entry-level positions in Burnie, stacking shelves at Woolies or waiting tables, there are upwards of 200 applicants. He has never even had a job interview. The proposed new rule that the unemployed should apply for 40 jobs a month simply cannot apply to him if he stays in Burnie. There aren't that many jobs for him to apply for.

He's not alone. More than 20 per cent of Burnie's youth are unemployed, the highest rate in Australia. They live in a state that has the lowest Years 11 and 12 retention rates in the country; where literacy skills are consistently assessed as being below the national average (half the population has been classed as being functionally illiterate, meaning they have insufficient skills to process the information from newspapers or fill out job applications). According to local government figures, in Burnie 7.3 per cent of adults have completed tertiary studies - less than half the national average. Where other towns have Scouts or theatre groups for young people, Burnie hosts support groups for teenage mums and for the teenage fathers who've split from the teenage mothers of their children. "Pretty much the whole **group** I hung out with at school now have kids - at least one," says Josh.

Australia has experienced a phenomenal 23-year run of continuous economic growth but you are hard-pressed to see it in Burnie. It's a similar story in other youth unemployment hotspots like Elizabeth, South Australia, or the Goulburn Valley in Victoria. Burnie's pulp mill, which, at its zenith, employed more than 4000 people, withered to a couple of hundred employees before closing a few years ago, unable to compete with Indonesia. The paint-pigment factory closed before that and moved to Malaysia. The Caterpillar factory has shed a couple of hundred jobs, hit hard by cheap **Chinese** imports of heavy machinery. Tasmania was dealt another blow with recent news that two mines, at Mount Lyell and Henty, would shed 350 jobs.

For years now the Federal Government has attempted to prop the town up. In 1996, Peter Costello announced that a call centre would be relocated to Burnie, providing 40 jobs. It followed the relocation of government pay offices. Since then there has been a host of assistance packages worth **millions** for freight, ports and job creation schemes. There was even an assistance package to save the call centre that was supposed to save Burnie. None of it has stemmed the tide - unemployment continues to rise and there are now four job agencies and another three for the disabled, in a town of 17,000, seeking to place a couple of thousand unemployed into positions that don't exist.

And then, following this year's budget, where it was revealed that unemployed youths would soon face a six-month wait before getting the dole - while others faced the prospect of having their dole cut for six months under the "earn or learn" mantra - Prime Minister Tony Abbott flew to Hobart. Abbott said the answer for the unemployed of Tasmania might be to relocate to the mainland. "If people have to move to get a job, that's not the worst outcome in the world," he said. "For hundreds and hundreds of years people have been moving in order to better their lives. People came to Tasmania in order to better their lives. So, I don't think we should be necessarily heartbroken just because some people choose to move." It all sounds pretty simple - book a ticket on the Spirit of Tasmania and sail away to prosperity.

So where does someone like Josh Smith move to? Would anyone employ him? And what about his kid? And, if he doesn't move, what happens if he loses his dole payment for six months? "The thing that no one wants to say," says a long-time senior staffer in the employment field in Burnie, "is that some of these people are pretty much unemployable in the modern economy. They left school too early. It doesn't matter what you do, how much you train them, they are stuffed." His calculations are pragmatic - you either pay $14,000 a year to keep someone on the dole or $140,000 a year to keep them in prison. Other critics of the government's approach say it will do little to address the underlying issue of poor education and too few jobs. "You can train people all you like, but if there are no jobs at the end of it, isn't it all a bit pointless?"

Social analyst David Chalke, from the Melbourne-based market and social research agency AustraliaScan, says Tasmania is in danger of becoming a "theme park" with lots of pretty things to look at but no real industry and few jobs. In relative terms, its population is declining and in the past decade, while the mainland's population rose by 17 per cent, Tasmania's rose by only 7 per cent. Technically, he says, it is in recession and its economy splutters on, propped up by federal money. "There is a hollowing out of the population," Chalke says. Abbott didn't need to urge young Tasmanians to leave; the ones who could afford to have already left. The bright young people, the innovators, the skilled workers and "the creators", says Chalke, have departed en masse and "you are left with the unskilled, the unmotivated, the incapable and, at the other end, with the old and the sick".

The figures support this - 2011 Census data reveals that 34 per cent of Tasmanian households relied on some form of federal benefit as their main source of income. Almost a quarter of the population lived in poverty or on the cusp of it. Between 2009 and 2013, 22,700 Tasmanians aged 20-34 moved interstate.

"A sense of hopelessness pervades Tasmania," says Chalke. It seems a rather harsh assessment, but even in the more buoyant city centres of Hobart and Launceston youth unemployment is very high.

Saul Eslake, the respected economist working for Bank of America Merrill Lynch, grew up on the northwest coast of Tasmania, where his father was a school dentist, and he has closely followed its fortunes throughout his career. Eslake says Tasmania's problems are similar to those faced by many non-metropolitan areas on the mainland, like the Latrobe Valley in Victoria or Elizabeth, but Tasmania's difficulties are accentuated by its isolation. "It has a narrow economic base and one which is vulnerable to forces beyond the control of people who live there, like globalisation and technological changes."

Eslake says the state's economy had been based on cheap electricity to produce high-volume, low-margin "undifferentiated commodities competing on a world market - cheap aluminium, cheap zinc, cheap paper and cheap wood chips". The model was always doomed to fail, unable to compete with the economies of scale and cheap labour from Asia and elsewhere.

And then Tasmania rolled the dice. It banked on building a multi-**billion**-dollar pulp mill in the Tamar Valley. Eslake says the demise of the project, while destabilised by the environmental campaign, was also due to the poor management of the timber **company** Gunns. Its management insisted, Eslake says, on locating the pulp mill in the Tamar Valley near Launceston, where there was deep resentment to its construction, rather than at Hampshire, behind Burnie, where there was relatively broad community support. Whatever the causes, it failed to materialise.

And so the state is left with a teetering "narrow economic base" and a generally poorly educated work force. Eslake says its school retention rates are appalling - "the only place it is worse is in remote Aboriginal communities". Traditionally, most high schools in the state only went to Year 10. Students who wanted to complete Year 12 went to centralised colleges. It meant most simply dropped out. That is changing, and the state government recently announced that more schools would now be offering years 11 and 12.

But resentment towards education runs deep. "One of the reasons so few students go past Year 10 is that they are almost actively discouraged by their parents," Eslake claims. "The parents fear that if their kids go to Year 12 they'll then go off to university. If they go to university, they think, they'll end up on the mainland, where they'll get married and they'll not see their grandkids. It is an irrational fear, but very real."

I discover how all this plays out when I meet 17-year-old Denica Short, who lives with her 26-year-old fiancee Adam, a fibreglass factory worker. She and Adam live in his uncle's house at Cooee, just outside Burnie. It's a large and comfortable suburban house, not far from the beach, and Denica and Adam have the upstairs area to themselves. They are planning a wedding in January 2016. Seventeen does sound a little young to be planning for a marriage but it doesn't seem unusual for Burnie.

Last year Denica was in Year 11. She is the only one in her family to have completed Year 10 - her dad started work in the pulp mill when he was 15. When she was young her parents went through a messy separation, with "custody fights and lots of visits to lawyers". At the age of 13 Denica moved out of home to live with an older sister because she didn't get on with her mother's new partner. "It was a pretty crazy childhood, nothing was ever simple." Both her parents are now unemployed.

Despite her difficulties, Denica put her head down at school and did well. At the end of Year 10 her maths teacher wrote a long and impassioned note on her report card. "He said that I just had to complete Year 12, and that he wanted me to go on to university - he obviously thought I could make it." She was enthused about the prospect. For her Year 10 graduation ceremony Denica bought herself a new dress, got all dolled up and even paid for the tickets for her mother and father to attend. When she looked out from the stage she saw two empty seats and burst into tears. "It really sucked but I shouldn't have been surprised," she tells me. "They never turned up to anything else at the school ... I never really had parents who would push me towards doing things. There's never been a great lot of encouragement."

The next year she was doing well in Year 11 and working part-time at Subway. Then she was offered a full-time job as a trainee manager, where she could earn around $800 a fortnight. "I had a meeting with the school principal and the deputy and they said I'd be an idiot to leave school," Denica says. "They said they'd seen people do this before and it hadn't worked out." They begged her to stay on, but the money was too tempting and so she left. In August last year her hours were cut and the offer of a traineeship was withdrawn - she had missed a few days' work because she was "between houses". With her hours vastly reduced and no prospect of a manager's role she quit and has been unemployed ever since. She has applied for dozens of jobs without luck.

The girl who teachers had hoped would go to university says she'd like to become a beauty therapist. The problem is they don't offer training in Burnie and she can't afford to go to Hobart or the mainland to do the course.

If the proposals make it through the Senate, from January 1 next year people like Denica, who quit a job, will face a six-month wait before getting the dole. If she went back to school, or enrolled in a training course, she would get a payment. However if she could not get into a course, say for two months, she would go without an income for that period. If this happened to Denica she would have the support of her fiancee and his family. If it happened to someone like Josh Smith, it could spell disaster.

The CEO of the Brotherhood of St Laurence, Tony Nicholson, says the government's policy is fraught with danger. "It seems to assume that young people will have family support and that if they lose that income they will have a family to fall back onto," he says. "However, if you look at the data there are some 45,000 people receiving the youth allowance who are not living at home and many of those can't move back home and don't have family support. So if you cut the income off to those people they become destitute."

Nicholson says the Prime Minister's suggestion that young unemployed people can simply move is not always feasible. Wherever there is an abundance of jobs, he says, the cost of housing is high. These young people don't have spare money to live off while trying to find work.

The local Liberal member, Brett Whiteley, whose electoral office is in Burnie, dismisses Nicholson's claim of possible destitution as alarmist. "It is my very strong view that some of our young people just need an extra prod," Whiteley tells me. "They need that prod and that is for us to say, 'Some of the options have been taken away and here are the options that are left if you want the government to provide regular payments'." He likens the policy to controlled crying with young children. "Some people will cry a little longer than others but it is for their own good in the long run."

A PM advising the young to go to the mainland for work is one thing, but the message - that prospects are so bleak in Tasmania that the only option is to leave - is rather more difficult for a local member to sell, I suggest. "He didn't say that, I don't think that is fair," Whiteley says. "You are putting words in his mouth. What he said was that it wouldn't be the worst outcome ... What the Prime Minister was trying to say is that having a job and starting one's adult life with a job and the prospects that come from that, albeit painful to leave home, is a far better prospect for that person's confidence, self-worth, long-term health and economic prospects if they have to move away."

The reality is that many kids with prospects, a decent education and middle-class parents have already left. Whiteley's children are among the five per cent of Tasmanians who go on to tertiary education. Two of his sons live in Melbourne and his daughter is working in Launceston and enrolled in university. The difficulty is with the ones that remain. "Let me make this clear," says Whiteley. "None of us wants that, that's not the goal, not the aspiration [to have our young people leave]."

His colleague, Senator Eric Abetz, says the solution is to send the young unemployed into the fields to pick fruit and vegetables or work on **dairy** farms. "The sad thing in my home state of Tasmania is that over 90 per cent of fruit pickers come from overseas," he told ABC Radio. "If people can come from overseas to pick the fruit in Tasmania one wonders why potentially young unemployed Tasmanians couldn't do the same task. There is no right to demand from your fellow Australians that just because you don't want to do a **bread** delivery or a taxi run or a stint as a farmhand that you should therefore be able to rely on your fellow Australian to subsidise you."

The really sad thing in Abetz's home state is that a generation of its young has finished school, is unemployed and is incapable of even picking fruit, says the local industry head. The fruit and vegetable growers and the booming **dairy** industry don't want to become "a dumping ground for the unemployed", says Jan Davis, CEO of the Tasmanian Farmers and Graziers Association. "The thought that you are going to pick up unemployed people and expect farmers to take them on as a social or community wellbeing exercise in an industry that has such low margins is just naive at best."

The work, Davis says, is not unskilled: "The assumption is that it is grunt work; it is not grunt work." She says the pickers put fruit in containers that go straight to the markets, determining how much the farmer gets paid for his produce. If they don't pick properly it can damage next year's crop. The workers need to turn up on time and get the fruit off quickly. German backpackers and people from Taiwan or Tonga on 457 work visas can be taught these skills but apparently not the young unemployed of Burnie and Devonport. Davis says farmers try, where possible, to employ locals, but they often find they're unreliable. "They turn up for the first day and go home at lunchtime and are never seen again." Abetz tells me that Davis's comments are ludicrous and that people can be taught to pick fruit "in five minutes".

In Tasmania, Davis says, there is an underclass of third- and fourth-generation unemployed but none of the government's punitive changes to the dole deal with that issue. They should be looking at the education system, she says, as does just about everyone else that I interviewed for this article. "The real question everyone in government should be seeking to answer is this," says the Reverend Tim Hayman, a Baptist minister in Burnie. "How is it that young people can leave school and not have the required numeracy and literacy skills to get a job in Bunnings?"

Abetz says the government is fostering an environment that will allow employment to flourish in Tasmania and ticks off a load of initiatives he says will get the state back on track. Will they have failed if youth unemployment is still above 20 per cent in Burnie at the next election? "I'll be disappointed if that is the case," he says.

Eslake says there is some hope for Tasmania. He says comments that its unemployment can be solved simply by sending the unemployed out to pick fruit are unhelpful. "Statements like that reflect the degree to which people who make them are out of touch. It reflects a blinkered view and pre-determined attitudes."

Tasmania, he says, has a cargo-cult mentality; it is always seeking the one big thing to save it - logging, hydro, the pulp mill. But there is no silver bullet. It needs, he says, the opposite of what it has previously had. It needs to move away from producing a few things in bulk for very small profit to producing lots of things in a small way for high profit. It has a high-end **wine** industry and five whisky distilleries, it produces Wagyu beef and truffles for markets overseas, it takes walkers on glamping tours, it has MONA. "What works in Tasmania is the small-scale production of highly differentiated goods and services that embody a significant intellectual content and can be **sold** for premium prices." These industries are sprouting, Eslake says, but they have not been encouraged. But, I ask, doesn't all of this only work if you invest heavily in school education? "Of course," he says. "Without one you can't have the other."

One afternoon I pop in to see Josh Smith again, where he lives with Sheryl-Lee and their daughter Nikayla. In the past few years he has turned a corner. He has joined a father's **group**, which has become almost a family. They help him work through his issues. He's been building up his confidence. What he needs is a proper job. He wants to do the best for his daughter to ensure she doesn't have the life that he has had.

Sheryl-Lee and I start chatting. She never really had any friends at school. "People used to say that I was a feral and they just didn't talk to me," she says. When she was 16 she and Josh had a conversation and he said that, one day, he would like to have children. "I know it seems a bit silly, but I just went off the pill and didn't tell him," she reveals. It seemed like the best option at the time. Little Nikayla wanders around, three years old, still in nappies and sucking on a bottle. What options, I wonder, will life offer her when she turns 16?

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